

## Is there a better way to fill these seats?

### In this Issue:

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# Jan/Feb '01

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### Information:

The Canadian Taxpayers Federation (CTF) is a federally incorporated non-profit organization. Our three-fold mission is: 1) To act as a watch dog, and to inform taxpayers of governments' impact on their economic well-being; 2) To promote responsible fiscal and democratic reforms and to advocate taxpayers' common interests; 3) To mobilize taxpayers to exercise their democratic responsibilities. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will contributions. *The Taxpayer* is published six times a year. For more information write the Canadian Taxpayers Federation at the administration office noted below or phone our toll-free number: 1-800-667-7933. All material in *The Taxpayer* is copyrighted. Permission to reprint can be obtained by writing the administration office. Editorial cartoons are used by permission. Printed in Canada.

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# Troy Lanigan

Troy is the National Communications  
 Director for the Canadian Taxpayers  
 Federation

It might be ambitious to plan that family vacation to Southern California but as our ubiquitous federal director Walter Robinson states: "We moved from cup-of-coffee-a-day tax-cut territory to order-that-DVD-player."

After ten years of 'fighting for taxpayers' the CTF is pleased to report that 2001 will mark a measurable reduction in federal income taxes.

On paper, Paul Martin's cuts tally up to \$100.5 billion (\$75.2 B in personal cuts, \$15.1 in EI cuts, and \$10.1 in corporate cuts) over five years. However, the real effects are about half this amount.

The government wrongly includes \$17.5-billion in bracket creep taxes (taxes it didn't raise) and conveniently omits \$27.5-billion in CPP tax *increases* over the same five-year period. After adjustments the real tax reduction is closer \$55.4-billion – much of it having kicked in on the first of this year.

The basic personal exemption is up to \$7,412, the 5% surtax is completely eliminated and income tax rates are dropped across the board. A two-earner family of four at \$60,000, will save roughly \$600 in federal tax this year.

You bet we have to go further. But as has been written here before: the tax burden grew incrementally as so too will it recede incrementally. 2001 – both

federally and in many provinces – represents a significant shove in that direction. Rest assured your CTF will keep up the fight!



Given that the bulk of the CTF's supporter base is in Western Canada it was predictable that a phone call or two might come our way in the wake of our listing of Western Economic Diversification grants in the last issue of *The Taxpayer*.

The Appaloosa Horse Club of Canada for example wanted to set the record straight on three points. First, it wasn't clear that their grant was received back in 1991-92. Second, they felt their grant shouldn't have been classified under "Your Tax Dollars at Play". And third, the grant of \$10,407 represented matching funds for international marketing and was therefore worthy of government support.

Okay, the first two points are fair, but on the latter I have yet to meet a grant recipient that didn't think *their* particular venture was worthy of taxpayer support.

Of course every business venture is worthwhile to its architects. What we question is whether their neighbours should be forced to pay for it. Lower taxes and a level and fair playing field for entrepreneurs requires an end to corporate welfare.■



# Letters to the editor

## Collecting the tax fee...

I'm drowning in this tax mess. I got a package from the US worth \$34.20 and was assessed \$4.78 for PST and GST *plus* \$5.00 for a 'collecting the tax fee.'

It doesn't seem fair that the collection charge is more than the actual tax being collected. This little \$5.00 grab added 14.6% to the cost of my parcel over and above the 14% in taxes.

Now that I've gotten that off my chest...your site is very good and suitably depressing as a site of this nature probably would have to be. It's nice to have a place to come to for some tax info that's not put out by the government.

*Ric Blaine, E-mail*

## All the same

We have been CTF members for quite a long time now and think that you are all doing a terrific job. But when I read the magazine I get so frustrated with what is going on in this country I could scream. Will we ever get politicians to listen to the people? It seems no matter who we elect they are swallowed up by the "money" in Ottawa.

*Roy Fouts, E-mail*

## I like taxes

[On the CTF's opposition to the BC's Lower Mainland's new auto tax.] You guys are nuts. Somebody has to pay and we all will hurt big time with global warming. So get out of your cars

and pay for reasonable transit and quit bi\*\*\*ing.

*G. Wilkinson, Vancouver*

## Referendums - true democracy

I read the *Globe and Mail* article on voting reform which suggested a proportional system and I would certainly be for it. The reason I am writing you, however, is that I have just witnessed a better way of voting. I moved from Saskatchewan to Portland, Oregon about a year and a half ago.

During the last election, Oregonians not only voted for politicians, but on a number of issues through referendums. A document was sent to each household describing everything from choices for president to school funding. It was interesting listening to my neighbours weigh the pros and cons on the dozens of issues at hand. They really did understand the issues they were voting on.

What I discovered is that Canada is not as democratic as I once thought it was. I basically voted for a party each election year. Never did I get to vote on issues.

So I imagined, what if I had been in Saskatchewan and could do the same thing there. First I cast a ballot for Prime Minister. Then on to the next page. Do I want free trade? Do I vote for an increase in my property taxes for funding schools? What are the conditions of our local schools?

Needless to say, Oregon has:

no sales tax, progressive environmental policies, a high standard of living, straightforward state income tax, plenty of economic development and one of the highest voter turnout rates in the United States.

One day I hope to vote here and exercise my democratic rights but I really wish I could have done that in Saskatchewan.

*Jason LaFontaine, E-mail*

## Proportional representation

Congratulations to Rebick and Robinson for their excellent article in the *Globe and Mail*. As I read the preceding pages in the *Globe*, about low voter turnout etc., I was mulling in my mind about the need for somebody to write something about the need for proportional representation. What a treat to turn the page and see R and R's irrefutable logic.

*Peter Boothroyd*

*Centre for Human Settlements  
University of B.C., Vancouver, B.C.*

*(Editor's note: Walter Robinson and Judy Rebick's *Globe and Mail* article is reprinted on page 12.)*

## Letters to the Editor

Letters may be edited for length and content. Send them to:  
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# Waste Watch

## Five star obsession

Prime Minister Chretien's obsession with luxury hotels will cost taxpayers hundreds of thousands of dollars. And the most annoying part is that nobody will even stay in them.

When the Prime Minister called an election in October, the federal government was forced to cancel a nine-day trade mission to China. Embassy officials already spent months planning the trip that would include Chretien, his entourage, provincial premiers and business peoples, (the latter were required to pay their own way).

But because it was the feds who cancelled the trip, it is taxpayers who must pick up the tab for any cancellation fees and related costs. And if previous cancellations are any indication, this could easily exceed a million dollars.

The Canadian Embassy was forced to cancel 600 rooms in top class hotels in Hong Kong, Shanghai and Beijing. The China Hotel, a five star facility in Beijing, charged \$85,000 a night for the 600 rooms rented there. The manager indicated that there will be a cancellation fee but had no immediate indication of how large it would be. Prime Minister Jean Chretien's suite in this hotel

would have cost \$2,800 a night in US funds. Hopefully this included a continental breakfast.

The hotels in Shanghai and Hong Kong are particularly owly when it comes to cancellations and are expected to levy heavy fees.

Other costs include a concert for which corporations had kicked in sponsorships worth \$100,000. Then there were banquets and the list goes on and on...

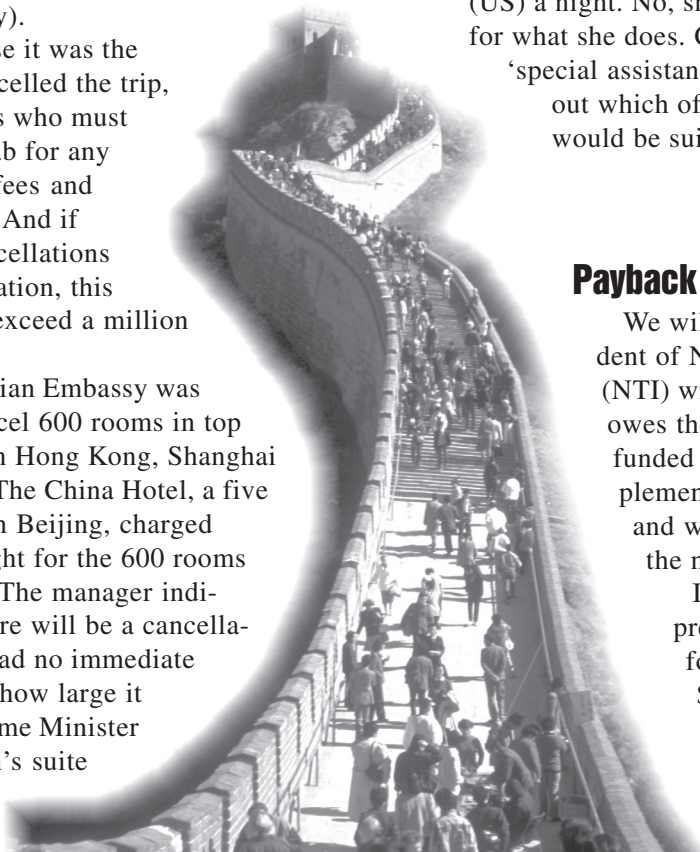
But the award for the biggest waste of taxpayer dollars goes to Caroline Chretien, the Prime Minister's niece. It's not that taxpayers spent a large amount of money on Caroline as her suite at the China Hotel cost less than \$500 (US) a night. No, she receives this designation for what she does. Caroline serves as Chretien's 'special assistant' to travel around and check out which of the world's posh hotels would be suitable for Chretien.

*Globe and Mail*

## Payback time

We will know shortly if the president of Nunavut Tunngavik Inc. (NTI) will pay back the \$28,000 he owes the corporation. The federally funded NTI is responsible for implementing the Nunavut agreement and will receive \$1.14 billion over the next 14 years from taxpayers.

It was alleged that NTI's president, Paul Quassa, a former CBC reporter, misspent \$28,000 in expenses last year on such goodies as travel, questionable cash advances and credit card





# Waste Watch

purchases.

Quassa claims that much of the money was spent in the line of work and he simply has to find receipts. NTI is not convinced and told Quassa he has until the end of January to come up with the money or he will be fired.

*National Post*

## Is gambling tax deductible?

Gambling may soon be tax deductible. Why?

Well the ever-observant Canada Customs and Revenue Agency (CCRA) just realized that one person made a lot of money betting on sports.

That one person was Brian Leblanc who became a multi-millionaire by betting on sports lotteries. This form of gambling involves picking the winners in a series of professional sports games – such as hockey or football.

As it is, lottery winnings are supposed to be tax free. One reason is if winnings were taxable, people could claim lottery purchases as a tax deductible expense. Something CCRA doesn't even want to think about.

But Leblanc was starting to get under CCRA's skin. Here was a guy making millions of dollars betting on sports and he did not pay any income taxes. People were starting to get ulcers at the tax department.

Finally the revenue boys took Leblanc to court demanding he pay tax on his winnings back to 1996. They argued that Leblanc's gambling was a business activity and therefore taxable (note how they cleverly got around the lottery issue).

Leblanc argued that this income is exempt under the lottery provision and since he only engages in it 10 minutes a day, it could hardly be considered a business.

However, depending on how the court rules, it is possible that all those lottery tickets you buy and those trips to Las Vegas to gamble could potentially become tax deductions.

This fact didn't escape the attention of Michel Proulx, a Revenue spokesperson,



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who admitted this was a possibility depending on the outcome of the case.

*National Post/Ottawa Citizen*

## Department of Natural Resources - naturally inefficient?

An internal audit of the Federal Department of Natural Resources (DNR) uncovered problems with \$90 million in contracts awarded each year by the Department.

According to the audit, 60% of these contracts were not tendered but awarded at the whim of department bureaucrats. This means that taxpayers probably didn't get the best deal for our money.

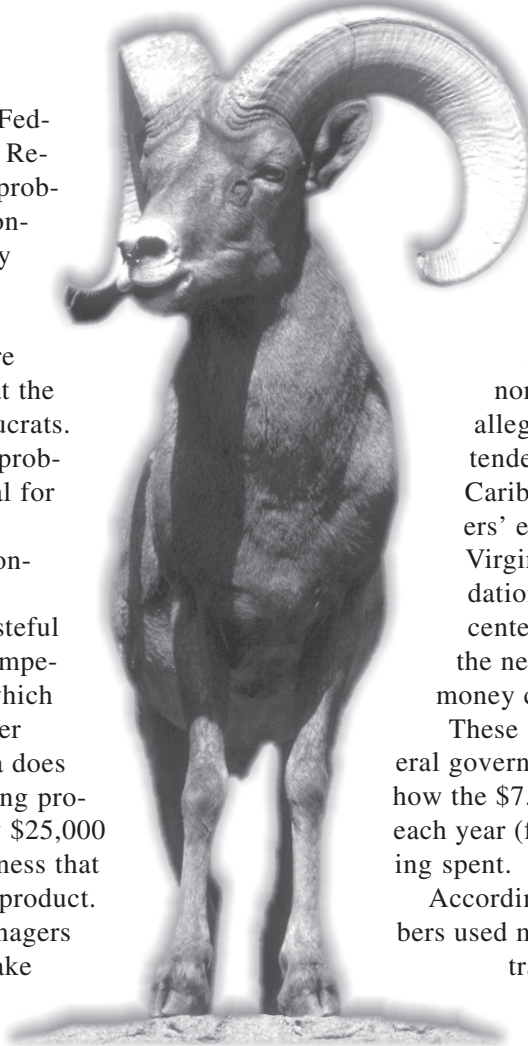
Known as sole source contracting, the auditors condemned the practice as wasteful and inefficient. Without competition, it's easy for abuse which always translates into higher costs for taxpayers. Ottawa does allow sole source contracting provided the contract is below \$25,000 or if there is only one business that can provide the service or product.

The audit noted that managers went out of their way to make sure they didn't have to tender contracts by ille-

gally breaking up large contracts into smaller ones under \$25,000. The auditor said the practice was "widespread" in the Department.

The audit examined 91 sole source contracts and found no justification for 20 of them and no evidence that the remaining 71 should have been allowed.

*Saskatoon Star Phoenix/  
National Post*



## A simple phone call

It all started with an anonymous phone call from a staff member for the federally funded

Sagkeeng First Nations

Addiction Treatment Center

north of Winnipeg. The caller alleged that 30 staff members attended a professional seminar on a Caribbean cruise ship at taxpayers' expense. Officials with the Virginia Fontaine Memorial Foundation who run the treatment center immediately condemned the news reports, stating that the money came from bingo proceeds.

These allegations sparked the federal government to take a closer look at how the \$7.2 million the facility receives each year (from Health Canada) was being spent.

According to a 1997 audit, staff members used money to take trips to Australia, Las Vegas and Hawaii.

Further, the federal government was double



# Waste Watch

and even tripled-billed for patients using the facility. One employee said that the Center routinely billed the government for patients use of beds long after they had left. The auditors also noted that there were not enough patients at the center to justify the payment of \$3.2 million made to the Centre in 1997.

The audit also showed that a company owned by the directors leased trailers to the facility for \$50,000 month, a cost which auditors claimed was nearly ten times their market value. And if that wasn't bad enough, these trailers were actually owned by the Center! This same company along with another business with ties to the treatment center provided 'consulting services' at a cost of nearly \$1 million. Finally, the auditors said that another \$1 million could not be accounted for.

Although senior officials at Health Canada were aware of the audit, nothing was done about it.

Meanwhile, the company which sold the trailers to the Center in the first place was never fully paid and took the treatment center to court.

When investigators

from Health Canada showed up at the Center this past year to take a closer look at the books, the Foundation, claiming innocence, refused to hand them over.

Health Canada even took the unprecedented step of seizing the shredders at its First Nations and Inuit Health Services Branch office in Winnipeg, when reports circulated back that documents related to the treatment centre were shredded.

The RCMP have arrested a Sagkeeng staff member who uttered death threats against former employees who blew the whistle on the center.

The Foundation argues that it entered into a contract with the federal government to run the treatment center and that Ottawa has no business auditing how the money was spent.

In response, the federal government stopped funding the centre and is planning to sue the Foundation to get taxpayers' money.

*Globe and Mail*



## On the HRDC front

The HRDC cold front has settled into our political landscape and if the weatherman is right, it could be here for a while. So bundle up.

The RCMP announced it is investigating a fifth company in Jean Chretien's riding over the alleged fraudulent use of HRDC funds.

# Waste Watch

The company in question, Groupe Forces, received \$300,000 from HRDC since 1995 and the RCMP allege that some of the money went for personal use. The owner of the business is a long-time Liberal and organizer in Chretien's riding.

In addition to the HRDC grant, the company received \$4 million in subsidies over the past five years from various federal agencies including Industry Canada and the Canada Economic Development for Quebec Regions.

In a related story, the RCMP invaded the offices of telemarketing company Mouyal Corporate Group, of Montreal. This company also received money from HRDC totalling \$290,000. This subsidy along with assistance from the Newfoundland government was used to set up a call center in St. John's.

The raid was initiated by the Competition Bureau which received complaints from as far away as England about the call center. According to reports, the center supposedly mislead businesses into believing that they were buying their office materials and equipment from their regular suppliers.

*Globe and Mail/National Post*

## Designing success

When the Design Management Group of Gander, Nfld approached Human Resources

Department Canada (HRDC) for financial assistance to send a group of engineers to Malawi Africa, bureaucrats turned the company down. They felt the subsidy would give Design Management an unfair advantage over other companies competing for projects being offered by the Canadian International Development Agency (CIDA). CIDA, a federally funded agency, provides financial assistance for Canadian companies to do projects in foreign countries. CIDA provides the projects and the Canadian businesses bid on them with taxpayers picking up the tab.

MP George Baker didn't like the bureaucrat's decision and sent a letter to HRDC asking them to reconsider.

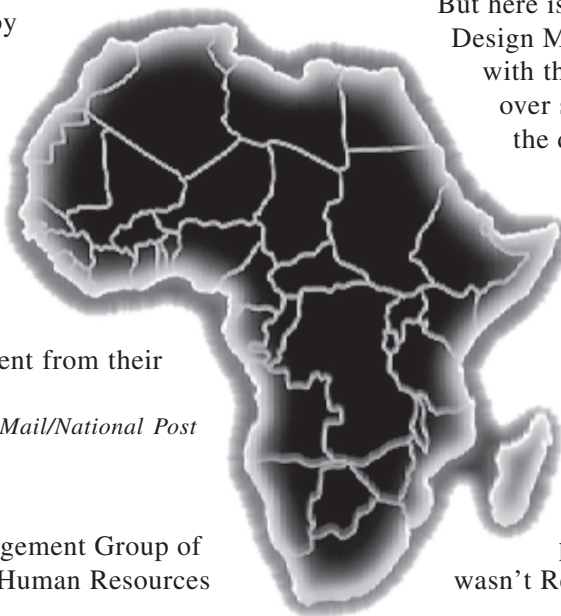
They reconsidered in spades and provided the company with \$568,000 in subsidies. With this money in their pocket, Design Management won a \$1.1 million contract from CIDA to build water systems in Malawi.

But here is where things turned sour.

Design Management was in trouble with the federal tax department over some unpaid taxes. When the department got wind of this grant money from HRDC, it garnished some of these subsidy dollars to pay off Design Management's back taxes.

Yes, your taxes went to pay their tax dollars.

On a side note, guess who was the second largest contributor to George Baker's re-election campaign in 1997 -- no, it wasn't Revenue Canada -- you





# Waste Watch

guessed it a company by the name of Design Management Group. Surprise, surprise.

*National Post*

## Country club welfare

The federal government's 'liberal' views on spending your tax dollars hit new heights with revelations this past fall that the feds provided subsidies to some of Canada's poshest hotels and resorts.

Since 1994, Ottawa has poured millions of dollars into hundreds of resorts, hotels, motels and lodges. The funds were used to build saunas, buy fitness equipment, install whirlpool tubs and fireplaces.

The money went to resorts catering to the wealthy where rooms can cost \$500 a night. The federal government handed out over \$50 million through a variety of departments including Human Resources Development Canada and the Atlantic Canada Opportunities Agency.

Most of the subsidies went to hotels and resorts in Atlantic Canada.

The following is a

list of some of the hotels and resorts that received funding from our very 'liberal' government:

### Prince Edward Island

- Brudenell Luxury Golf Resort and Conference Centre, Roseneath received a \$500,000 low interest loan.
- Rodd Marina Inn in Montague received \$1 million from the feds, \$204,000 via HRDC and \$950,000 from the province.
- Loyalist Country Inn in Summerside obtained \$1 million in 1997.
- Rodd Hotels snagged subsidies totalling \$11 million from the federal and provincial governments to build the Crowbush Cove resort near Lakeside. This complex will be open six months



# Waste Watch

a year employing seasonal workers at salaries between \$5.50 and \$8.00 an hour.

## Nova Scotia

- Maritime Inn received \$350,000
- Mountain Gap Inn located in Digby obtained money to install hot tubs, air conditioners and exercise equipment. All totalled, it received \$317,500.

## New Brunswick

- Deux Rivieres resort received \$500,000.

## Newfoundland

- The Oceanview Resort, Ste. Modeste, Labrador obtained \$170,863.
- The Humber Valley Resort, St. John's received \$110,592.
- The Sports Villas Resort, St. John's received \$226,134.
- The White Hills resort located near Clarendville knows a good thing when it sees it. It dipped into the subsidy trough 11 times for \$3,180,000. All this non-repayable and to show you how well these subsidies work, the hotel became insolvent in 1996 leaving the government on the hook for an additional \$2.2 million in a loan guarantee to a bank.

## Ontario

- The "ultra-luxury, couples only" Bear

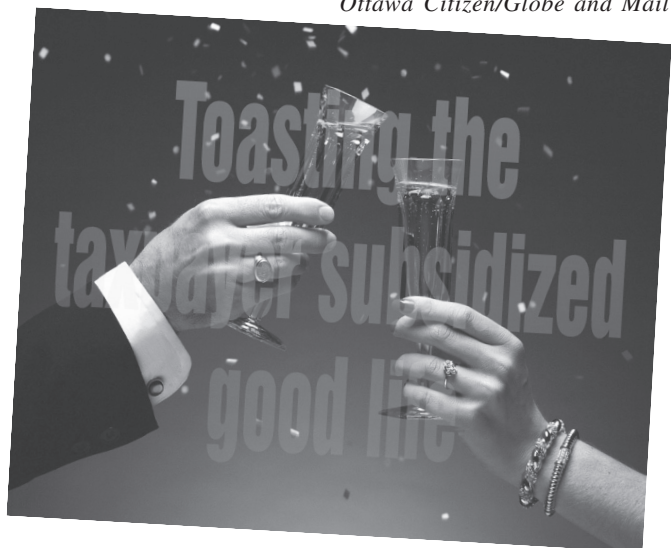
Trail Inn near Algonquin Park charges up to \$500 a night for its all-inclusive rooms and dining packages.

Its lakeside cabins come complete with jacuzzis. The Algonquin also has gourmet dining, acupuncture, shiatsu massage, tennis courts, billiards, and saunas. To help people receive luxury living at a more economical price the feds provided a subsidy to the resort for \$130,500.

## British Columbia

- Best Western's Tin-Wis Lodge in Pacific Rim National Park, Vancouver Island received \$345,300.
- Wells Hotel, Bakerville BC, a former residential school now owned by a local Indian band obtained \$476,000.
- Beach Gardens Resort located in Powell River received \$350,000.
- Mulligan's Motel in Sicamous snagged \$600,000.

*Ottawa Citizen/Globe and Mail*





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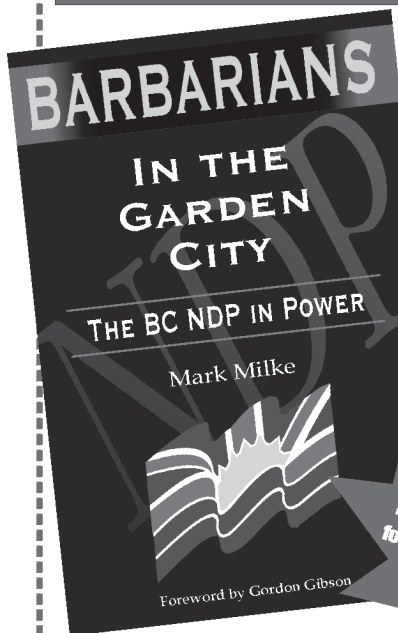
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# Voting reform

## We vote to scrap the system

by *Walter Robinson and  
Judy Rebick*

**O**n November 27th, the votes of millions of Canadians didn't count. Our archaic electoral system referred to as first past the post, gives each parliamentary seat to the party that wins the most votes in that riding, and throws out the rest of the votes as irrelevant, no matter that they expressed the democratic wishes of, very likely, the majority of the voters in that riding. Yet, despite its undemocratic nature, we continue to maintain the system election after election.

As two individuals from opposite ends of the political spectrum who disagree on most issues, we wholeheartedly agree on one thing: changing our electoral system to better represent the wishes of voters is an urgent necessity.

Once again, the Liberals won a majority of the seats in the House of Commons (172 of 301), with a minority of the popular vote (40.8 per cent). They now hold

unchallenged and, for the most part, unaccountable power for the next four years or so, even though the majority of us voted against them. In 1997, it was much the same story. With only 38% of the popular vote – the smallest mandate in Canadian history for a majority government – the Liberals clung to government.

It's the same story in the provinces. In British Columbia, the current NDP government has a majority even though they received fewer votes than the opposition Liberals. Similarly Lucien Bouchard became Premier of Quebec with an overwhelming majority of the seats although the

Parti Quebecois got fewer votes than the Liberals. And in Ontario, Mike Harris continues to enjoy a majority government despite the fact that 56% of Ontario voters cast ballots against him in 1999.

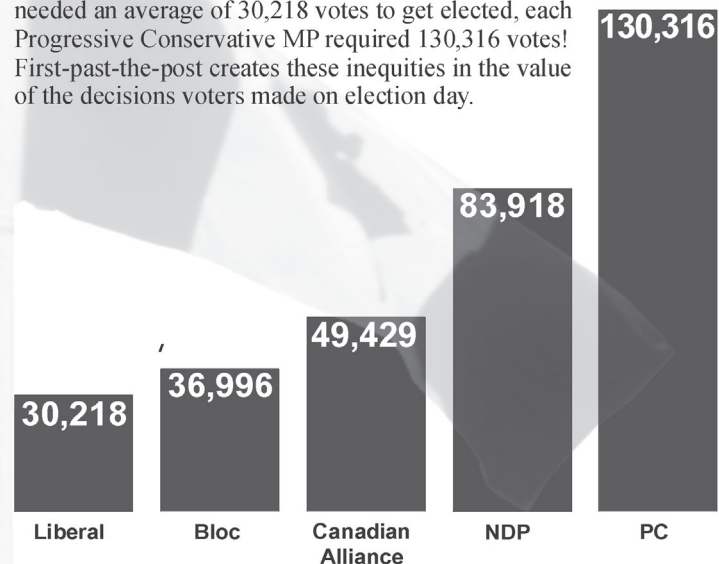
The worst aspect of our electoral system is that it exacerbates regional

differences. The 2000 vote clearly demonstrates this as the country was increasingly balkanized. The Canadian Alliance garnered about 1.9 million votes across the four Western provinces for 64 of their 66 seats. But they also received more than one million votes in Ontario; all for a paltry

## Equal Votes, Equal Value?

This chart shows the average number of votes each party needed in the last federal election to elect a single Member of Parliament..

One of the myths of our current electoral system is that votes are of equal value. Not true. Whereas each Liberal Member of Parliament needed an average of 30,218 votes to get elected, each Progressive Conservative MP required 130,316 votes! First-past-the-post creates these inequities in the value of the decisions voters made on election day.



# Voting reform

**Cover  
Story**

two seats. Meanwhile, the Liberals cleaned house in Ontario with about 2.3 million votes – about twice as many votes as the Alliance but 50 times as many seats. In the West, this electoral perversion continues. The Liberals received about 950,000 votes in the four Western provinces – about half as many as the Alliance – but got only one-fifth as many seats.

Before November 27th's vote, pundits and political leaders alike urged us all to look to the U.S. presidential election fiasco to remember that

every vote counts. Not so. In our system, some votes count more than others. For example, the Liberals needed about 5.2 million votes to win 172 seats in Parliament – that's an average of about 30,000 votes for each seat. The Alliance, on the other hand, needed an average of about 49,000 votes for each of its 66 seats. The cost of seats was even higher for the NDP and Conservatives. They needed averages of about 84,000 and 130,000 votes respectively to win

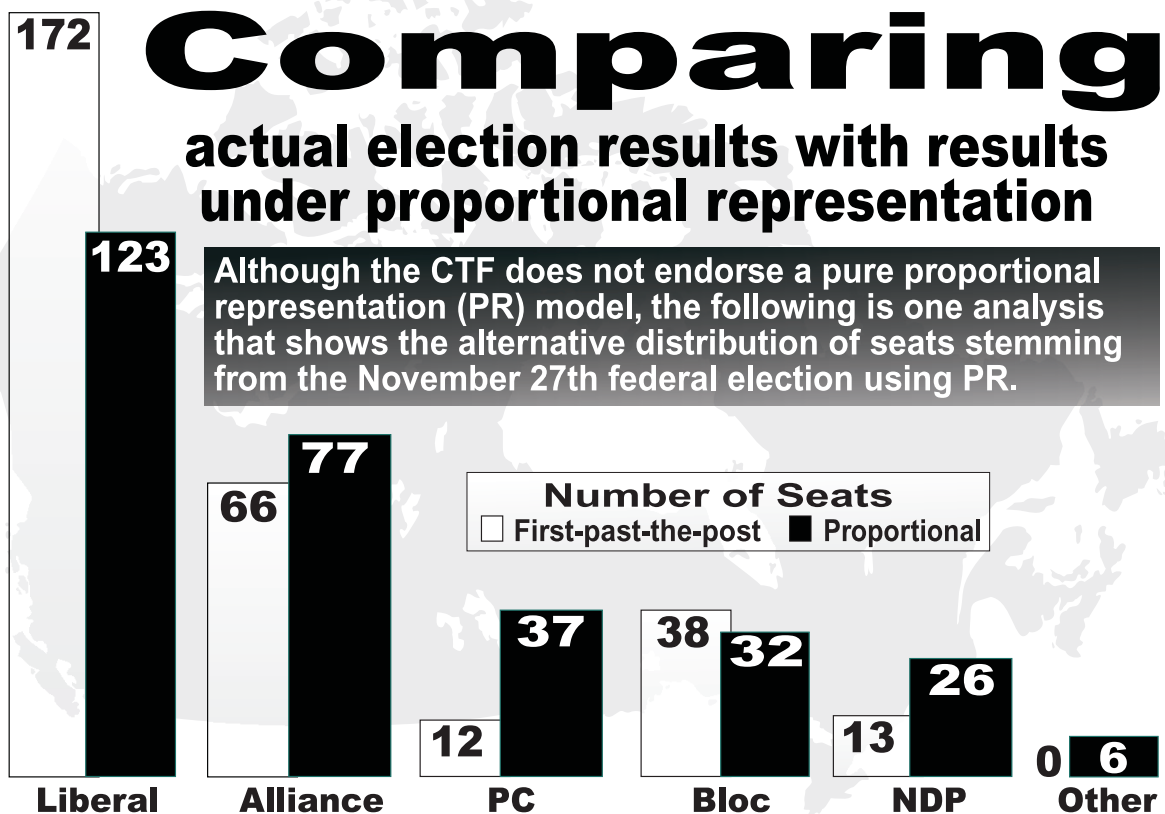
their 13 and 12 seats in the House.

Canada is one of just five modern industrial democracies that still use this outdated system. Even Great Britain has started to abandon it. Recent elections in Ireland, Scotland and Wales employed preferential ballots or proportional representation. Under proportional representation, the distribution of seats and power is a function of the popular vote cast for respective candidates and/or parties.

If seats were allocated

based on a pure proportional model, the Commons seat tally would be: Liberal, 123 (instead of 172); Alliance, 77 (instead of 66); Conservatives, 37 (instead of 12); Bloc Quebecois, 32 (instead of 38); NDP, 26 (instead of 13); and six "others" would each have won a seat instead of being shut out.

Versions of proportional representation systems are employed in more than 90 jurisdictions and can be tailored to reflect the needs of different countries. For example, some people





# Voting reform

believe a German system of combining first-past-the-post and proportional representation might be suitable to Canada. Such a system would retain the concept of MPs representing traditional ridings, while the overall result would better reflect the voters' wishes.

Opponents of proportional representation argue that it encourages the creation of small parties and makes it very hard to elect a majority government. They say that politicians end up deciding after the voting is over which parties should combine to form a coalition. Better, these people

say, to let voters choose from a smaller number of parties, and better also to have stable majority rule. Why? After 20 years of arrogant majority rule by Liberal and PC governments, we think a little uncertainty in those holding the reins would be a good thing.

Proportional systems are employed around the world and, with the possible exception of Israel and Italy, produce governments that are no less stable than our own. True, parties have to combine forces in order to rule, but yields governments that are both more representative and more accountable. Women and minorities are better represented. There is no such thing

as a wasted vote since even small parties can make their presence felt so strategic voting is of much less interest. You have more opportunity to vote *for* a political party rather than *against* it.

Perhaps the greatest proof of the success of proportional representation is in voter turnout. Canada has seen a disturbing decline in voter turnout over the past four elections. In 1984 and 1998, about 75% of eligible voters cast ballots. In 1993, the number dropped to 69.6% and, in 1997, it fell again to 67%. This recent election's voter turnout was a mere 62.8%! Some may argue that this is a function of a vicious mudslinging campaign, but we believe an equally

compelling argument can be made that voters are feeling, with some justification, that their vote just doesn't count.

If the uncertain outcome of the recent U.S. election is farce, our electoral system is tragedy. Canada desperately needs a new voting system. We both favour a move to proportional representation. In such systems, coalition governments are

more common. Successful coalitions respect the diversity of opinion articulated by voters on election day. They must – their political survival depends on it.

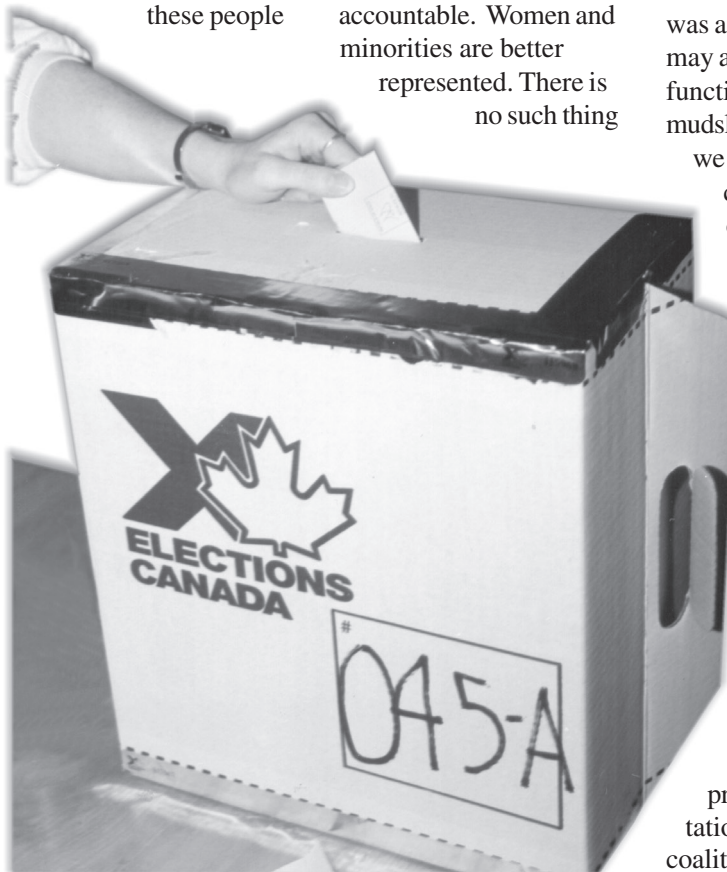
The march toward voting reform needs more than our two voices.

A new organization called Fair Vote Canada ([www.fairvotecanada.org](http://www.fairvotecanada.org)) has recently formed to launch a national campaign for proportional representation. Saskatchewan NDP MP Lorne Nystrom's re-election ensures that his work for voting reform will continue. He had a private members' bill on voting reform accepted for debate in the last Parliament; we hope he can do it again.

Once a party wins by first-past-the-post system, it is loathe to change it. That means citizens have to raise their voices. Monday's vote marked the end of one campaign. The campaign to return our electoral system to the people has only just begun. ■

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Judy Rebick, author of *Imagine Democracy* (Stoddart), leans to the left. Walter Robinson, Federal Director of the Canadian Taxpayers Federation, leans to the right. This article was edited slightly and appeared in the *Globe and Mail* on November 29, 2000.



# Voting reform

**Cover  
Story**

## A Look Around the Globe



by Nick Loenen

**H**ow does Canada compare internationally? In the US some of the older voting machines fail one out of five times. In Canada the voting system fails every time. There is no reason for Canadians to feel smug.

Although there is growing awareness that all is not well with Canada's voting system, most Canadians find it strange that votes can be translated into seats differently from how we always do it. In addition, we mistakenly assume that more proportional voting systems are an oddity, if not an aberration. It is time to take stock.

The fact is that our first-past-the-post (FPTP) voting method is now a rarity among industrialized democ-

racies. Most abandoned FPTP long ago.

The first application of a more proportional voting system took place in Denmark (1856), Belgium (1899), Switzerland (1901). So many countries followed suit, that by

1920 Great Britain was the exception in Europe.

Today, countries with proportional voting systems include: Austria, Brazil, Finland, Germany, Greece, Hungary, Iceland, Israel, Italy, Japan, Mexico, Netherlands, Norway, Poland, Portugal, Spain, Sweden.

In addition, the search for more democratic voting has not escaped British Commonwealth nations. The Republic of Ireland has used the single transferable vote since 1921. Malta and Tasmania also use this form of proportional representation. Australia adopted the single transferable vote for its Senate elections and the preferential ballot for its lower house in 1949.

More recently, New Zealand (1993) and South Africa (1994)

changed their FPTP to proportional systems. And what about the Mother of all Parliaments?

Great Britain has undertaken significant changes in recent years. The new parliaments of Scotland, Wales, and Northern Ireland use proportional methods. The British elections for the European parliament are now conducted under proportional rules, as is the election of the Mayor of London. Local elections in Northern Ireland use proportional rules. Similar systems are under consideration for local elections in Scotland and Wales.

Prime Minister Blair has promised a referendum on the recommendations of the Jenkins commission. The Jenkins commission recommends a mixed proportional system for House of Commons elections.

Compared to Great Britain we have stood still in time, and are now more British than the Brits. As for most of the industrialized nations, they have moved to a more democratic and accountable form of governing. Consider that not a single emerging democracy on the planet has considered, let alone adopted, Canada's voting system.

The world is changing rapidly. At every level Canadian society is dynamic and forward looking, except in our governmental institutions. Our comfortable complacency is misplaced. On a global scale, Canada is a laggard in fixing the machinery of government. If we are the best country in the world now, think of what we could be!■

\* Nick Loenen is a former BC MLA and author of the book *Citizenship and Democracy: A Case for Proportional Representation*. The book can be purchased through the CTF at 1-800-667-7933 for \$19.95.

# Year in Review

## JANUARY 2000

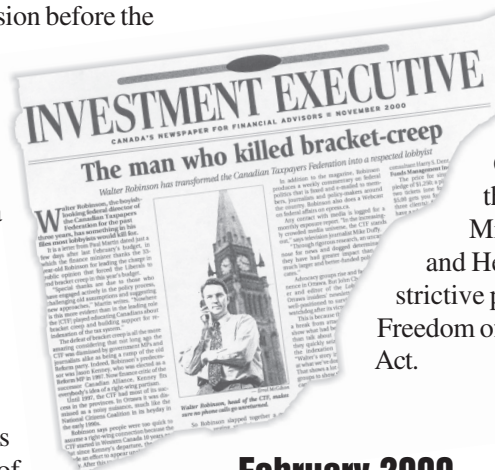
### ALBERTA:

The CTF made a pre-budget submission before the province's Standing Policy Committee on Finance. The submission recommended indexing spending increases to inflation and population growth, docking the pay of the premier and cabinet in the event of a deficit and cutting taxes by \$500-million by reducing the single rate tax to 10%.

### NATIONAL:

CTF offices react angrily to Ottawa's announcement that it is prepared to offer \$20-million in annual exchange relief to Canada's six NHL franchises. In response the CTF announced the "Great Canadian Puck-off" urging Canadians to send the Prime Minister a hockey puck

stating that taxpayers don't want to play the subsidy game. One day later the federal government held a press conference to announce the withdrawal of its taxpayer bailout package.



### MANITOBA:

Four groups including the CTF made a presentation to the Hon. Diane McGifford Minister of Culture, Tourism and Heritage to ease up on the restrictive provisions of the province's Freedom of Information and Privacy Act.

## February 2000

### NATIONAL:

Dubbing it the "St. Valentines Day Massacre of Taxpayers" the CTF releases a commissioned report that

## Year 2000 Activity Report

The following is a breakdown of activity for the various offices of the Canadian Taxpayers Federation in the year 2000.

Office	Interviews	Events, speeches, letters, releases, reports, meetings
Ottawa	1,549	200
Alberta	722	157
Saskatchewan	648	95
British Columbia	607	98
Manitoba	528	149
Ontario*	266	60
Total	4,320	767

\* Note: the CTF Federal Director also serves as Ontario Director devoting 15% of his time to Ontario issues.



shows Ottawa and the provinces have netted a Canada-wide income tax increase of \$90-billion over the last decade thanks to bracket creep.

While it contained unnecessary new spending and little action on the debt, the CTF celebrated two huge victories in the federal budget with the announced phase-out of the 5% surtax and immediate elimination of bracket-creep. For the past two years the CTF has led national campaigns demanding an end to bracket creep. Credited by media around the country and even by the Finance Minister himself, the CTF won a huge victory for taxpayers!

#### **MANITOBA:**

The Manitoba Lower Tax Commission adopted several CTF recommendations in its final report submitted to the provincial legislature including de-linking provincial taxes from the federal system, a single 11% income tax rate, a basic personal exemption of \$11,600 and elimination of bracket creep.

As part of its pre-budget submission, CTF director Victor Vrsnik met with Finance Minister Greg Sellinger and later Premier Gary Doer to push for an income tax reform model, immediate attention to the deficit and reduction of the province's debt.

#### **SASKATCHEWAN:**

The Personal Income Tax Review Committee (the Vicq Committee) adopted several CTF recommendations in its final report submitted to the provincial legislature including elimination of the off-reserve PST exemption for natives, de-linking provincial taxes from the federal system, increasing the Basic Personal Exemption, and eliminating bracket creep.

As part of its pre-budget submission CTF director Richard Truscott met with Finance Minister Eric Cline. Central in the CTF's submission was the need to sell the province's crown corporations in order to reduce debt. Money freed up in interest pay-

ments could then go toward lower school taxes.

#### **BRITISH COLUMBIA:**

Dubbing it the "14 Step Recovery Program" the CTF submitted its pre-budget submission to Minister of Finance Paul Ramsey. However, unlike the two other NDP governments in Canada, this Minister refused to discuss the CTF's submission in person.

#### **ONTARIO:**

CTF Director Walter Robinson made a pre-budget submission before an all-party Finance Committee at Queen's Park. The CTF's submission focused on tax relief (including an end to provincial bracket creep), debt reduction, privatization, gas tax reduction and legislated debt retirement.

### **March 2000**

#### **NATIONAL:**

The second annual Teddy Waste Awards were presented at a black tie news conference on Parliament Hill. Recipients in three categories included Human Resources Development Canada for the 'Billion Dollar Boondoggle,' the BC government for its 'fast ferry debacle' and Sheila Cops for 'lifetime achievement.'

In Edmonton, the CTF files for intervenor status in federal court in the Treaty Eight taxation case. The aboriginal plaintiffs claim they should be exempt from paying all taxes, anywhere in Canada. The CTF will, on constitutional grounds, argue for the equal treatment of Canadian taxpayers regardless of race.

#### **SASKATCHEWAN:**

The provincial budget offers lots of promise for future tax relief and tax reform but little in the way of immediate relief. However, one big CTF victory was won on budget day when the PST exemption for natives on off-reserve purchases was ended. Weeks earlier CTF director Richard Truscott had delivered a 29,000 name petition demanding the same.



### ALBERTA:

CTF director Mitch Gray held a joint news conference with Opposition Treasury Critic Howard Sapers urging support of private members Bill 211 which subjects any tax increase or new tax to a province-wide referendum. Gray challenged all members of the legislature to sign a *Taxpayer Protection Pledge*.

### BRITISH COLUMBIA:

The CTF reacted unfavourably to a BC budget which increases spending, increases debt and offers no plan to balance the budget.

## April 2000

### ALBERTA:

While the CTF's recommendation of a \$500-million tax cut failed to find its way into the province's February budget, continued pressure by the CTF finally led to legislation reducing the province's new single tax rate. The new rate of 10.5% (down from 11%) accompanied by an increase in the Basic Personal Exemption to \$12,900 (up from \$11,620) will save Alberta's taxpayers an additional \$430-million a year starting in 2001.

### NATIONAL:

CTF federal director Walter Robinson made two presentations before Senate Committees. The first was on Bill-C2 the *Election Act* in which the CTF opposes restrictions on citizens and citizen groups from expressing their opinions during elections and the second was on Bill S-13 in support of whistleblower protection legislation.

### NATIONAL/SASKATCHEWAN:

The CTF celebrated its ten-year anniversary by holding a dinner in its founding city of Regina. Nearly

100 guests from across the country joined in the celebration. Several speakers and awards were presented along with the debut of a new CTF promotional video.

## May 2000

### NATIONAL:

The CTF earns headlines with the release of a report detailing \$2.6-billion in handouts by the Atlantic Canada Opportunities Agency (ACOA) over the past decade. Highlights of the report include millions in assistance given to cash-strapped companies like Bombardier, the Canada Steamship Lines, just to name a few.

A Parliament Hill news conference launches the CTF's Second Annual Gas Tax Honesty Day in which the CTF focuses on governments' role in high gas prices. A report released shows that a mere 5% of the \$5-billion collected in gas taxes each year is reinvested in Canada's roadways. A national petition campaign was announced and media coverage was received from coast to coast.

### ONTARIO:

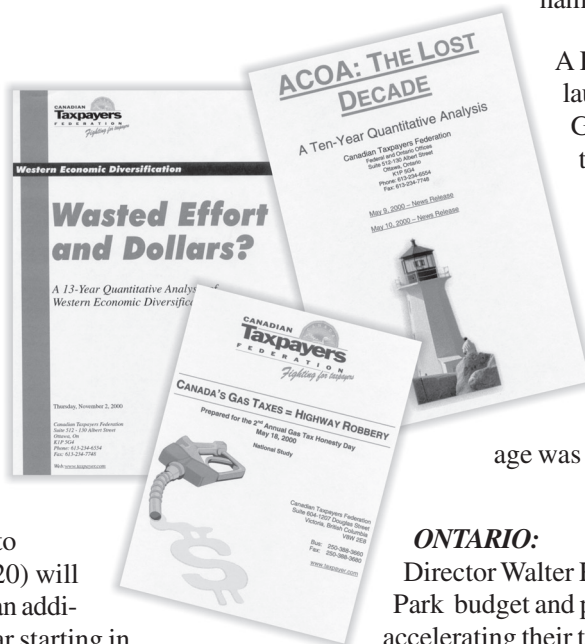
Director Walter Robinson attends the Queen's Park budget and praises the governments effort in accelerating their tax cut schedule, eliminating provincial bracket creep and de-linking taxes from the federal government. Robinson did urge caution on spending hikes and reiterated the need for a legislated reduction of the province's debt.

### MANITOBA:

The CTF reacted unfavourably to a budget that increases spending dramatically and offers little by way in tax relief. Manitoba's tax rates are increasingly out of line with neighbouring provinces.

### BRITISH COLUMBIA:

The CTF announces an "Axe the Auto Tax" campaign in which a petition and Action Guide is released in



opposition to a proposed Lower Mainland property tax on vehicles. The immediate response to the petition is overwhelming!

#### **NATIONAL:**

CTF directors were hopping with media and public calls about new MP pension and severance rules that would put all MPs (including Alliance Members) back into the gold-plated pension plan and enhance their severance allowances as the last order of business before jetting off for summer recess.

### **June 2000**

#### **ALBERTA:**

Director Mitch Gray made a presentation before the province's Business Tax Review Committee. The submission recommends simplifying, lowering and flattening of the tax system along with reductions in various rates and less red tape.

#### **BRITISH COLUMBIA:**

The CTF releases a major report on the extent of provincial 'corporate welfare' in BC detailing a possible \$137-million lost to risky schemes.

Waking from a peaceful slumber of nine years, BC's NDP government introduces balanced budget legislation (albeit weak) in the provincial legislature after years of dogged pursuit by the CTF. It is significant that all three NDP governments in Western Canada now have balanced budget laws in place.

#### **MANITOBA:**

The seeds of a major campaign were sown with introduction in the Manitoba legislature of a gag law – restricting citizens advertising during election campaigns to a mere \$5,000 (while parties and their candidates can spend millions). The CTF sought a legal opinion, demanded the Attorney General reference the law's constitutionality, made a legislative submission and is gearing up for a potential court battle.

#### **ONTARIO/NATIONAL:**

At a Queen's Park news conference, Ontario premier Mike Harris was presented the CTF's TaxFighter of

the Year Award for his government's passage of comprehensive taxpayer protection legislation. This is the first time the award has been given to a politician.

#### **NATIONAL:**

Directors commented on various tax changes kicking in on July 1<sup>st</sup> federally and in several provinces. As well, directors commented on Tax Freedom Day which fell on June 30<sup>th</sup>. Although falling five days earlier than last year, directors remind the media and public that taxes still consume half our incomes each year.

### **JULY 2000**

#### **NATIONAL:**

The CTF releases calculations showing where the federal debt would be today – ten years later – if successive Canadian governments had used all net GST proceeds to pay down the debt as promised. The calculations reveal that a \$185-billion burden would have been lifted from current and future taxpayers!

A special commemorative ten-year anniversary edition of the CTF's flagship publication *The Taxpayer* is released chronicling ten years of CTF advocacy.

#### **SASKATCHEWAN:**

The announcement by the provincial government of a permanent utility rate review board is the result of eight years of CTF pressure. Unfortunately, the rate review board will, unlike other provinces, remain advisory in scope still leaving the final decision on rate increases to the provincial cabinet.



### **AUGUST 2000**

#### **NATIONAL:**

At an Ottawa press conference the CTF releases several documents questioning Canada Post's tax status and its ever-increasing scope of operations. The press conference comes in the wake of a \$230-million law suit against the federal government for failing to properly regulate the corporation's activities. The CTF demands proper tax treatment of the corporation, a return to its core mandate and the privatization of



Purolator Courier.

The CTF joins a chorus of opposition to proposed amendments to the Income Tax Act which would subject Canadian investors to an annual tax on unrealized capital gains on foreign held investments. Pressure paid off. The government announced the September 1<sup>st</sup> deadline would be extended and later, delayed until after a federal election.

#### **SASKATCHEWAN:**

The CTF earns news with its findings that advertising expenditures by the province's crown corporations increased 40% between 1995 – 1999. SaskPower and SGI doubled and tripled their expenditures respectively over the same period.

#### **MANITOBA:**

The CTF leads opposition to the province's election gag law with an appearance before a legislative committee in which CTF provincial director Victor Vrsnik goes toe-to-toe with Premier Gary Doer.

## **SEPTEMBER 2000**

#### **ALBERTA:**

Several victories on the tax front include the \$300 energy rebate, \$250 home utility rebate and numerous business tax reductions. Adopting CTF recommendations to the Business Tax Review Committee almost verbatim, the government reduces the corporate tax rate to 8%, the small business rate to 3%, capital gains inclusion rate to 50%, eliminates the capital tax and reduces school property taxes.

#### **NATIONAL:**

As pump prices across the country remain high, CTF directors continue to demand reduction of taxes, which account for between 40% - 50% of the pump price. Releases and opinion editorials appear throughout the summer and into the fall to keep the pressure on.

#### **BRITISH COLUMBIA:**

The CTF continues to fight the proposed property tax on vehicles in the Lower Mainland. At a Vancouver press conference, director Mark Milke releases an

analysis showing that a mere 4.6% decrease in existing spending by the regional district would make the auto tax unnecessary. In October the CTF releases information on TransLink's soaring administrative costs and further argues that new federal infrastructure grants make the tax unnecessary.

## **OCTOBER 2000**

#### **SASKATCHEWAN:**

Although far from perfect, the CTF's long-time advocacy for a utility rate review committee may finally be paying dividends. SGI's bid for a 2% rate hike was turned down by the panel.

The CTF challenged mayoral candidates in Saskatoon and Regina to sign a "Municipal Taxpayer Protection Pledge" that would require them to enact a public vote on any proposed tax increases or new taxes. Regina's newly elected mayor Pat Fiocco was one candidate who had signed.



#### **FEDERAL:**

A "mega news conference" held in Ottawa covered off three subjects. First, 50,000 petitions are displayed to demonstrate broad support for immediate relief of gas taxes. Second, the CTF announces its expectations for the upcoming mini-budget, which include: \$18.8 billion in tax cuts and debt reduction. Finally, the CTF unveils its plans heading into a federal election campaign: a focus on spending and challenge of the government's election gag law. CTF Director Walter Robinson also meets privately with Finance Minister Paul Martin prior to the mini-budget.

The first week of the election campaign and the CTF is out of the gate with an analysis showing the governing Liberals spent \$2.25 billion – an incredible \$223,060 a minute – in the seven days leading up to the October 22 election call. Most of the funds were committed to "economic development" in Quebec and Atlantic Canada.

## NOVEMBER

### NATIONAL:

In its third major report on federal corporate welfare, the CTF lifts the lid off Western Economic Diversification. Released at a press conference in Winnipeg, the report chronicles \$2-billion in disbursements since 1987.

The federal election results in little change. The CTF opposed the election gag law and pushed the issue of wasteful spending. Alliance leader Stockwell Day signed the CTF's "No More Corporate Welfare" pledge. Post-election, the CTF asked Canadians to consider alternatives to our first-past-the-post voting system that grants 100% of the power to a party that received 41% of the vote.

### BRITISH COLUMBIA:

As the fortunes of B.C.'s NDP government sink, the fortunes of those abandoning ship are not. The CTF releases revised figures showing seven NDP MLAs not seeking re-election will receive \$6.1-million in pension benefits.

### MANITOBA:

The CTF was quick to react to a government proposal to channel crown profits into government operations. A protest letter campaign organized by the CTF results in the government backing off.

The CTF led public opposition to the implementation of a pension plan for Winnipeg city councillors. The CTF demanded public review and consultation in a presentation before councillors.

### SASKATCHEWAN:

Up, up and away! The CTF releases information obtained under FOI that the cost of operating the provincial government's fleet of aircraft is up 129% over the last 5 years. The CTF also spoke out against another rising cost: SaskEnergy rates up 23%!

### ONTARIO:

The CTF urges taxpayers to flood Premier Harris' office by phone, fax, e-mail and letter in opposition to a proposed 42.2% pay hike for MPPs. The government backs off!

### ALBERTA:

Second quarter fiscal results show Alberta with an unprecedented \$5.5-billion surplus, and while the CTF commended the government for earmarking \$4.0 billion to debt reduction it cautioned against an unbudgeted \$1-billion increase in spending. Alberta will be debt free in two years and the CTF foresees the eventual elimination of provincial income tax.

## DECEMBER

### BRITISH COLUMBIA:

18,000 Axe the Auto Tax petitions were dropped at TransLink headquarters in Burnaby. Director Mark Milke challenged TransLink Chair George Puil to a public debate and asked why the GVRD couldn't redirect a penny of its \$2-billion in existing spending.

CTF released two reports in B.C.: one showing skyrocketing travel costs in the provincial Aboriginal Affairs Ministry and the other a comparison of Washington State and B.C. Ferries.

### NATIONAL:

In media interviews and commentaries, CTF directors are quick to shoot down the Prime Minister's musings about a cradle-to-grave welfare scheme dubbed the Guaranteed Annual Income.

Oink! Oink! A post-election analysis shows 32 retiring or recently defeated MPs eligible for \$18.8 million in pension benefits and another 17 eligible for \$269,000 in severance payouts

A release titled "No Raise or Bonus This Year?" shows that Canadians will, for the tenth straight year, pay higher payroll taxes on January 1<sup>st</sup>. Overall though, tax cuts announced in the federal mini-budget means taxpayers will be ahead in 2001.



# A look back A look forward

by Walter Robinson and Troy Lanigan

**Y**2K was a banner year for the CTF. Budget 2000 saw Federal Finance Minister Paul Martin finally – after years of prodding from your CTF – re-index the tax system to inflation thereby eliminating *bracket creep*. In addition, the CTF played a lead role in marshalling public opposition to the federal government's ill-fated bailout of NHL teams.

On other fronts, the CTF produced two more landmark corporate welfare reports looking at questionable spending in the Atlantic Canada Opportunities Agency (ACOA) and Western Economic Diversification (WED). The CTF fought gag laws federally and in Manitoba, race-based tax laws in federal court, and the real reason for high fuel prices: taxes. During the federal election the CTF made spending a key issue. And in many provinces, meaningful gains in advancing tax reform and tax reduction were made.

These are the battles fought by CTF representatives in five provinces and Ottawa who each day handle dozens of media interviews and inquiries, hold press conferences, publish reports, and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. These representatives speak at functions, make presentations to government, meet with politicians and organize campaigns to mobilize citizens. A review of the year 2000 shows taxpayers voices are being heard and victories are being won.

In the coming year your CTF will increase its focus into four policy areas:

## Health Care Reform

The CTF rejects the idea that more money equals better health care. This spring the CTF will release a comprehensive discussion paper advocating bold approaches and solutions that challenge the status quo.

## Intergenerational Equity

Unfunded liabilities in our health and social security systems are in the trillions. Demographic trends are a

ticking time bomb that politicians refuse to address. The CTF will promote individual savings accounts for both health and social security.

## Aboriginal Policy

Equality and accountability are themes of CTF policy on aboriginal issues: millions of tax dollars that fail to “trickle-down” to those they are supposed to help, race-based tax laws, and new treaties that are both unaffordable and undemocratic. The CTF will continue to address aboriginal issues too often avoided in the name of political correctness.

## Democratic Empowerment/Renewal

From changing our voting system to citizen-initiated referenda and recall, we will continue to advocate for reforms which return the ownership of public policy to taxpayers. It is time we moved from having government driven citizens to citizen driven government.

Of course the CTF continues to hammer the themes of responsible fiscal management, lower taxes and a greater emphasis on “It’s the Spending Stupid”. Look for more reports on corporate welfare in the coming year.

2000 was indeed a banner year. Our tenth year as an organization proved to be our best ever. And while it was a time for reflection it was also a time to look toward the future. 2001 and beyond provide many challenges. But with continued support they are challenges that will be both met and translated into taxpayer victories. ■





# HRDC Scandal: The Auditor General Weighs In...

by Walter Robinson

**J**ust before last fall's federal election, the Auditor General (AG) Denis Desautels released the October 2000 edition of his annual report. This edition contained eight chapters which chronicled the mismanagement and lack of accountability in the federal public service. But Chapter 11 is the one that really mattered. It dealt with Human Resources Development Canada and more specifically, its management of grants and contributions.

Its contents were so damning that Liberal MPs avoided the AG's first appearance before the Human Resources Committee just before the election.

Some of the government MPs said they couldn't find the right room while others said they thought it was cancelled. Sounds innocent enough, except all opposition MPs, the media, the Auditor General of Canada and even public observers found the location. The full report of the AG can be found on-line at <http://www.oag-bvg.gc.ca/domino/reports.nsf/html/0011ce.html>.

While the AG's criticisms were many, three points summarize his findings.

"11.1 - Our audit examined four of the grant and contribution programs included by HRDC in its 1999 internal audit. We concluded that there were widespread deficiencies in the management control frameworks of all four programs. Our findings, which covered the period to December 1999, confirmed - and extended - those of the Department's 1999 internal audit. Among other things, we found breaches of authority, payments made improperly, very limited monitoring of finances and activities, and approvals not based on established processes."

**Translation: This is a colossal bureaucratic mess.**

"11.3 - The Department's review of 37 'problem files' identified by its internal audit for further follow-up established few cases where money

*"Many of these practices are not acceptable - proceeding without required approvals, relying on oral contracts and paying for ineligible expenses, for example."*

- Denis Desautels



could be recovered from project sponsors, because most payment errors resulted from inappropriate practices by departmental staff. Many of these practices are not acceptable - proceeding without required approvals, relying on oral contracts and paying for ineligible expenses, for example. Reporting by HRDC on the results of the review focused on overpayments and provided little information on the problems found."

**Translation: No one was in charge and no one had a handle on what was happening.**

"11.6 - Beyond the immediate corrective steps the Department has taken, it needs to make today's extraordinary effort tomorrow's routine and fundamentally change its day-to-day approach to the delivery of grants and contributions. Management and staff of the Department need to continue the current focus on the fundamentals of control. Minimum standards of control must be in place for all projects. However, time and effort needed to review and assess proposals, monitor progress, assess performance, and evaluate results should vary with the amount of federal funding involved and the risks associated with the project."

**Translation: A fundamental culture shift at HRDC is required to ensure that this billion dollar boondoggle is not repeated ... ever, ever again. ■**

**Special Affinity Offer  
exclusively for CTF supporters**

# Group Life and Disability Insurance Now Available to CTF Supporters

Effective immediately, supporters of the Canadian Taxpayers Federation may apply for group insurance under two newly sponsored CTF Group Plans -- Group Life Insurance and Group Disability Insurance.

These are in addition to the Group Dental Insurance, Critical Illness coverage and Group Extended Health Care already available to supporters of the CTF.

The addition of Group Life Insurance and Group Disability Insurance means supporters of the CTF can receive broad, flexible coverage at competitive rates. Supporter's spouses are also eligible for some benefits.

## Group Life Insurance

Under the new Group Life Insurance program, supporters may apply for \$50,000 to \$500,000 in Group Term Insurance and the coverage remains in force until age 65.

There is a conversion privilege at age 65 which allows a Supporter to convert up to \$200,000 and continue the coverage for the balance of his or her lifetime, without evidence of insurability.

Spouses may also apply for up to \$500,000 of coverage with the same conditions applying.

## Group Disability Insurance

The Group Disability Insurance plans allow supporters to apply for \$500 to \$3,500 in monthly tax free benefits whenever he or she can't work due to an accident or a sickness that lasts beyond 90 days.

Once on claim, a supporter's benefits continue for the duration of the disability, up

to age 65. One of the features of this group plan is the supporter chooses the benefit - subject to an outlined "Relationship to Earnings" chart.

## About the Two Plans

The rates for these two Plans are based on 5 year age bands and, once issued, a supporter's certificate cannot be cancelled by the insurance company as long as premiums are paid when due and he or she remains a supporter of the CTF.

Between these two Group Plans, a supporter may design a portfolio of benefits that will go a long way toward providing future financial security for his or her family.

## For more information:

To see how the coverages can be tailored to fit a supporter's individual needs, simply complete and mail the Business Reply Card on this page.

A supporter may fax in the request to (416) 492-4037, call the Customer Service Centre at 1-877-439-2913, or e-mail [ctf@macadmin.ca](mailto:ctf@macadmin.ca).

You will be sent a kit containing a detailed

outline of benefits and everything you need to apply for coverage. By requesting the information you are under no obligation and no salesperson will visit, unless you request one.

Further programs will be added to this portfolio over the next

few months that will only be

available to supporters of the CTF.

**CANADIAN**  
**Taxpayers**  
**FEDERATION**



*Fighting for taxpayers*

# Shed No Tears for Departing MPs

## *Their nest eggs are well feathered*

by Walter Robinson

With each election cycle a fresh crop of new faces comes to Parliament Hill. This means that a bunch of defeated or retiring MPs bid adieu to Ottawa. But shed no tears for these MPs, their taxpayer financed pension and severance payments cushion their landing considerably.

As a result of the November 27<sup>th</sup> federal election, 32 defeated or retiring MPs will collect over \$18.8 million in future benefits. And another 17 MPs who did not serve long enough to be eligible for the MP

pension plan (the second richest public sector plan in the country, only federal judges do better) will pocket almost \$270,000 in severance payouts for their brief periods of service.

To be fair, the severance payouts are comparable to mid-level executive departure handshakes and the CTF does not take huge issue with them. Having said that, there are those who would argue that these MPs were "fired for cause" and as such should not be entitled to

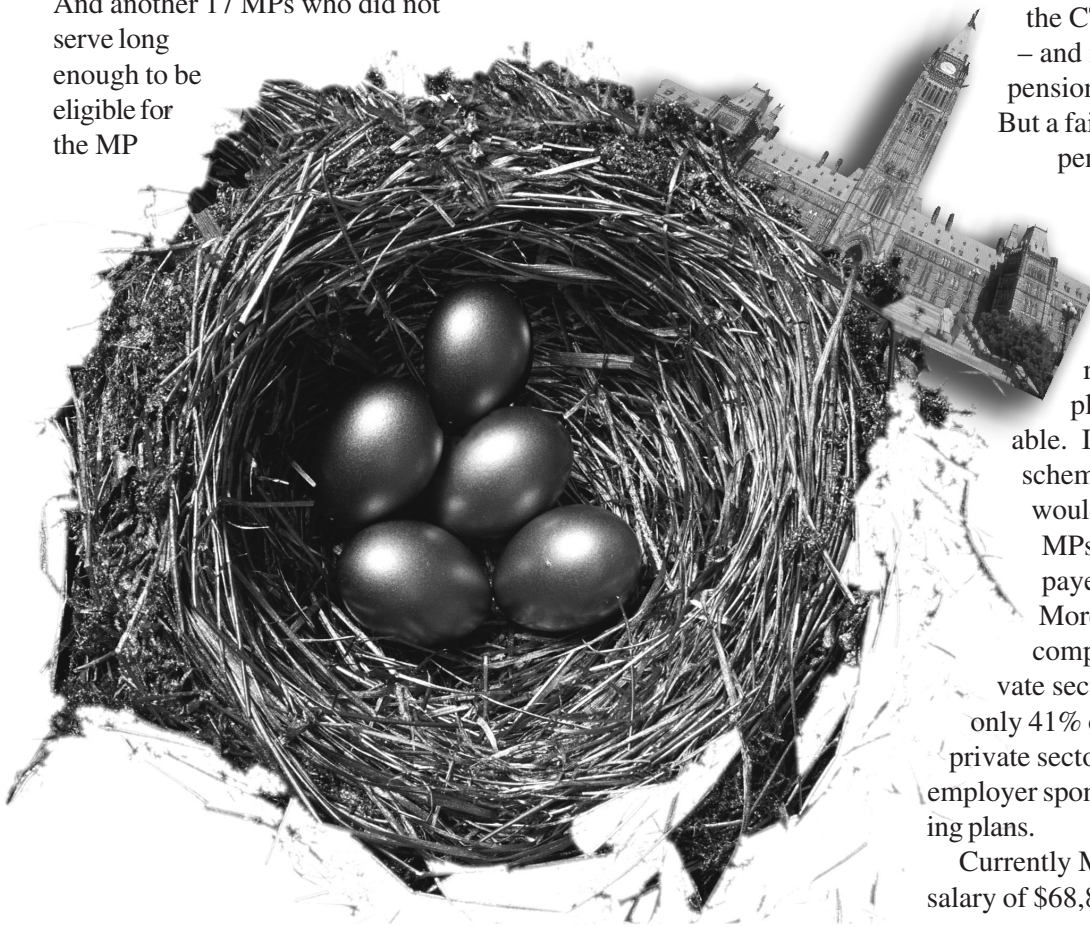
anything.

As for pensions, MPs who will collect large pensions have paid 9% of their annual income into the plan. But taxpayers still foot most of the bill. According to the latest Public Accounts, for each dollar an MP contributes to the plan, taxpayers contribute \$4.37. And the total pension tab paid out last year to former MPs and their dependants was over \$23 million. This is up from \$16 million just five years ago.

It should be noted that the CTF does not object – and never has – to a pension regime for MPs. But a fair and equitable

pension regime such as a matching dollar for dollar defined contribution arrangement as opposed to the current defined benefit plan would be preferable. Indeed, such a scheme, in the long run would benefit younger MPs more and cost taxpayers much less. Moreover, this would be comparable to most private sector plans. In fact, only 41% of Canadians in the private sector have access to employer sponsored or participating plans.

Currently MPs are paid a base salary of \$68,800, a tax-free al-





## The MPs' Nest Eggs

lowance between \$22K and \$28K, plus living expenses of \$12,000 per year. And, if they serve as officers of the House for their party, parliamentary secretaries, or sit in Cabinet, their pay is topped up further. At a fully taxable rate, an MP earns close to \$110,000 per year. This places them amongst the top 2% of all income earners in Canada. And this does not factor in the pension plan. “Not bad” by any objective measure.

While the demands of the job are immense, no one is forced into public life so we can quickly dispense with the “woe is the MP” cry. Ditto for the “we need to pay more to get better people” argument. This builds on the “if you pay peanuts you get monkeys” school of thought.

When it comes to political compensation, this argument rings hollow. And there is no credible study on the face of the planet which says that if you pay more you get better representation. In fact, whether we paid \$30K or a year or \$300K, we would still get mostly voting machine MPs who jettison personal conscience and the wishes of their constituents when the party Whip comes calling.

Early in the next mandate, a review of compensation for MPs and Senators will be done: it's the law. But instead of announcing the review in the dog days of summer as was done by Government House Leader Don Boudria on the Friday afternoon before the August long weekend back in 1997, more courage should

rule the day and Parliament should initiate a review as soon as possible. This review should have as its aims the principles of simplicity, accountability, transparency and fairness.

**Simplicity** could be achieved by abolishing all tax-free perks and paying MPs the appropriate fully taxable salary. To be fair, the merits of paying more should be debated.

**Accountability** involves setting fairer and yes higher expense limits for MPs' living and travel expenses, fully receiptable of course.

**Transparency** would involve establishing a permanent, arms-length body to review MP pay and compensation (as it does now) but with the added proviso of public input before the appropriate House

### Severance payouts

The following list contains the severance paid to defeated MPs in the last federal election

Member	Party	Province	Age	Total years of Service	Severance
Alarie, Helene	Bloc	Quebec	59	3	\$17,200
Bernier, Gilles	PC	New Brunswick	45	3	\$17,200
Clouthier, Hector	Liberal	Ontario	51	3	\$17,200
Dockrill, Michelle	NDP	Nova Scotia	41	3	\$17,200
Dube, Jean	PC	New Brunswick	38	3	\$17,200
Earle, Gordon	NDP	Nova Scotia	57	3	\$17,200
Hardy, Louise	NDP	Yukon	40	3	\$17,200
Jones, Jim	PC	Ontario	57	3	\$17,200
Konrad, Derrek	Cdn Alliance	Saskatchewan	56	3	\$17,200
Lowther, Eric	Cdn Alliance	Alberta	46	3	\$17,200
Mancini, Peter	NDP	Nova Scotia	44	3	\$17,200
Muise, Mark	PC	Nova Scotia	42	3	\$17,200
Turp, Daniel	Bloc	Quebec	45	3	\$17,200
Vautour, Angela	PC	New Brunswick	40	3	\$17,200
Sekora, Lou	Liberal	BC	68	2	\$17,200
Limoges, Richard	Liberal	Ontario	55	1	5,733
Gruending, Dennis	NDP	Saskatchewan	55	1	5,733
<b>Total</b>					<b>269,466</b>

committee when this group's work is returned to Parliament.

Finally, **fairness** would be served though the abolition of the MP pension plan and replacement with a matching dollar for dollar scheme. In addition, any proposed pay changes (like raises or automatic indexing) should only take effect for the next Parliament. This would remove the inherent conflict of interest of MPs setting their own pay.

I wonder what Don Boudria thinks of this plan? Someone should ask him. ■

### MP Pay and Pension Quick Facts:

■ The MP Pension plan accrual rate is 4%, twice the legal limit under the *Income Tax Act* and after 6 years of service, the pension is fully vested and indexed for inflation. MPs can collect their pensions at 55, a full decade earlier than most Canadians can collect CPP. MPs are eligible for 75% maximum benefits after 18 years of service, compared to the private sector average of 35 years for equivalent pension coverage.

■ The fully taxable equivalent of the current MP salary is in excess of \$110,000. This places MPs in the top 2% of all income earners in Canada.

## Pension Calculations

The following is a breakdown of estimated pension benefits for defeated or retiring MPs who are eligible for an MPs pension in the wake of the November 27, 2000 federal election.

Member's name	Party	Age	Total Years service	Best Pension at age 55	Total Pension from age 55 to 75
Axworthy, Lloyd	Liberal	60	21	84,704	\$1,518,913
Bernier, Yvan	Bloc	40	7	28,466	765,446
Breitkreuz, Cliff	Cdn Alliance	60	7	<b>Not in Plan</b>	
Canuel, Rene	Bloc	63	7	19,655	271,152
Chan, Raymond	Liberal	48	7	35,980	919,099
Chretien, Jean-Guy	Bloc	54	7	20,146	514,632
De Savoye, Pierre	Bloc	57	7	19,655	440,004
Debien, Maud	Bloc	62	7	19,655	297,585
Dumas, Maurice	Bloc	73	7	19,655	39,801
Gilmour, Bill	Cdn Alliance	57	7	19,655	467,776
Godin, Maurice	Bloc	67	7	19,655	171,708
Hart, Jim	Cdn Alliance	44	7	19,655	658,773
Hoeppner, Jake	Independent	64	7	<b>Not in Plan</b>	
Iftody, David	Liberal	44	7	27,524	703,099
Kerpan, Allan	Cdn Alliance	46	7	<b>Not in Plan</b>	
Laurin, Rene	Bloc	60	7	19,655	352,452
Lefebvre, Rejean	Independent	57	7	19,655	467,776
Marchand, Jeanl	Bloc	55	7	19,655	502,080
McClelland, Ian	Cdn Alliance	58	7	<b>Not in Plan</b>	
McWhinney, Ted	Liberal	76	7	19,655	81,618
Mercier, Paul	Bloc	76	7	19,655	81,618
Mifflin, Fred	Liberal	62	12	52,649	797,125
Morrison, Lee Glen	Cdn Alliance	68	7	<b>Not in Plan</b>	
Murray, Ian	Liberal	49	7	22,794	582,259
Nunziata, John	Independent	45	16	62,649	2,100,333
Parent, Gilbert	Liberal	65	22	86,600	970,213
Proud, George	Liberal	61	12	38,231	631,535
Ramsay, Jack	Independent	63	7	<b>Not in Plan</b>	
Riis, Nelson	NDP	58	21	56,712	1,183,277
Scott, Michael	Cdn Alliance	46	7	<b>Not in Plan</b>	
Solomon, John	NDP	50	7	22,238	568,058
Stewart, Christine	Liberal	59	12	55,360	1,016,149
<b>Total</b>					<b>\$18,823,326</b>

# BRITISH COLUMBIA

## Canadian Taxpayers Federation Pre-budget Submission

# CTF calls for \$600 Million in Tax Cuts and a Freeze on Spending

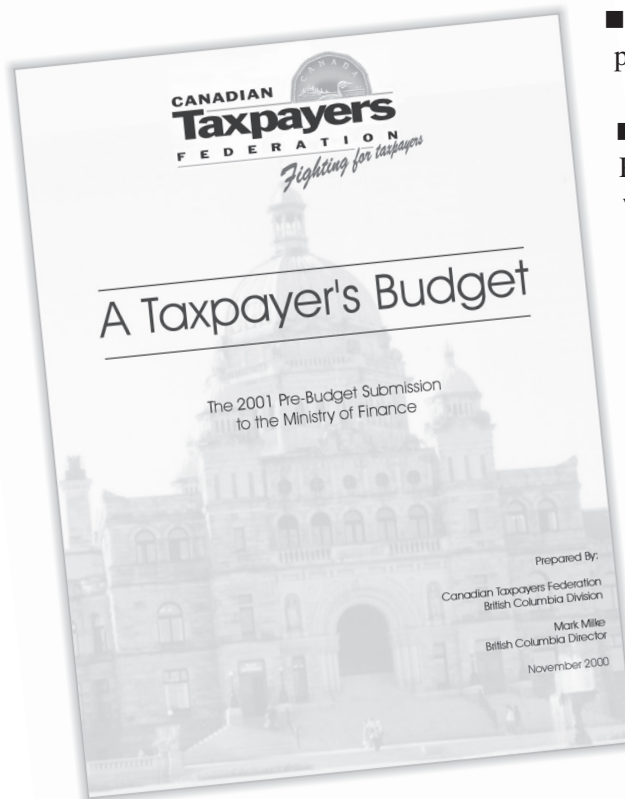
CTF-BC recently made its pre-budget submission to the British Columbia government. Here is what the CTF proposed:

- Cut personal income taxes by \$605 million in the 2001 budget year with the understanding that some, though not all of this revenue loss will be offset by a partial feedback effect in tax revenues. This assumes dynamic assumptions, as opposed to the static assumptions that underpin the government's Budget Consultation Paper.
- The provincial basic personal exemption should be raised to \$11,000. This will save taxpayers \$450 million per year.
- The top marginal rate should be dropped from 48.7 percent to 46.3 percent. This will save taxpayers \$155 million per year.
- Establish committees to recommend comprehensive income and business tax reductions and reform for subsequent years.

- Freeze overall government spending for two years with the exception of health care spending, increases in which should come from redirecting existing spending. The goal is to have an overall balanced budget, health care funding increases, and tax relief. This assumes a redirection of existing spending priorities.

the provincial debt.

- End business subsidies in practice and in legislation.
- End special interest subsidies in practice and in legislation.
- Income-test all government and Crown corporation benefit and subsidy programs.
- Cut and combine several provincial ministries.
- Introduce a Ministry of Privatization & Competition with a five-year mandate.
- Increase funding for the Office of the Auditor General. Increase performance and value-for-money audits. Require point-by-point responses from ministries.
- Include capital expenditures in the balanced budget legislation and introduce debt repayment requirements into the legislation.
- Require all future tax increases be subject to voter approval – a *Taxpayer Protection Act*. ■



- If there is an overall surplus in the current budget year (ending March 2001) surplus dollars should be applied to



# BRITISH COLUMBIA

## So How Much do You Subsidize BC Ferries

\$72 million will be taken from the fuel tax of British Columbians to support BC Ferries this year. Another \$21 million comes from the federal government.

But in addition to those subsidies, there are also subsidies that are paid every time a British Columbian travels on one of the major ferry routes. In all, four of the most-travelled ferry routes cross-subsidize the other routes. Here is a breakdown for the last

year available. Profitable routes are in bold:

Given that, for example,

Tsawwassen-Swartz Bay takes in \$60 million more than

necessary for running that

route, taxpayers might

consider whether they

would rather have

cheaper fares – say a

44% drop on the above-

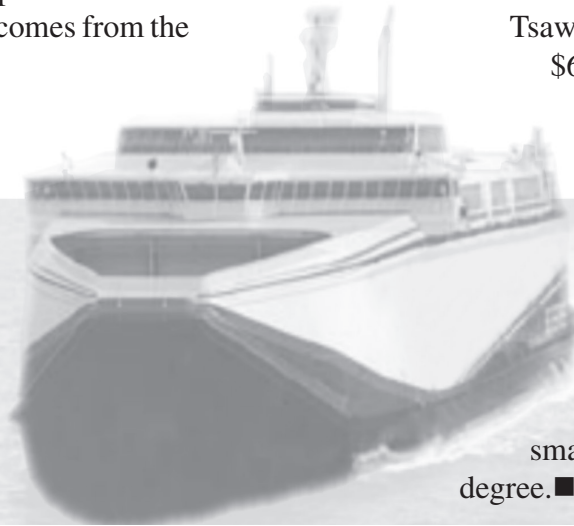
mentioned route, or

whether they want to

continue subsidizing the

smaller routes to the same

degree. ■



### Breakdown of Expenses and Revenues for Selected Ferry Routes

All numbers in millions of \$ - 1999 Note: The routes in bold run deficits

	Expenses	Revenues
Tsawwassen/Swartz Bay	75.9	134.9
Horseshoe Bay/Nanaimo	47.8	76.2
Tsawwassen/Nanaimo	37.3	45.7
Horseshoe Bay/Langdale	17.8	25.1
Cruise BC	6.6	8.5
<b>Brentwood/Mill Bay</b>	<b>0.9</b>	<b>0.7</b>
<b>Discovery Coast</b>	<b>3.7</b>	<b>1.8</b>
<b>Southern Gulf</b>	<b>29.6</b>	<b>17.7</b>
<b>Southern Sunshine</b>	<b>6.8</b>	<b>5.0</b>
<b>Northern Sunshine</b>	<b>21.7</b>	<b>11.3</b>
<b>Mid Island</b>	<b>10.6</b>	<b>6.5</b>
<b>North Island</b>	<b>9.9</b>	<b>4.6</b>
<b>Northern Service</b>	<b>18.7</b>	<b>7.4</b>

# Surpluses & Choices

Budget time is about choices, and the recent announcement that British Columbia now has a surplus should be a reminder why certain tax-and-spend decisions matter more than others.

As it concerns the surplus, (yes Virginia, there is an actual surplus) the province's total debt will decline from the high-water mark of just over \$34.2 billion this past March to \$33.8 billion by March 2001. But taxpayers should hold the applause until next summer. Until then, when the Auditor General certifies the numbers, the estimate of a surplus is just that – an estimate.

As for what to do with the surplus, in BC, our choices are more restricted and in part because of the decade-long string of deficits. For example, Alberta's health care spending will total just under \$6 billion this year, up 52 % since 1995. BC's spending rose to \$8.5 billion this year, up 29 % since 1995.

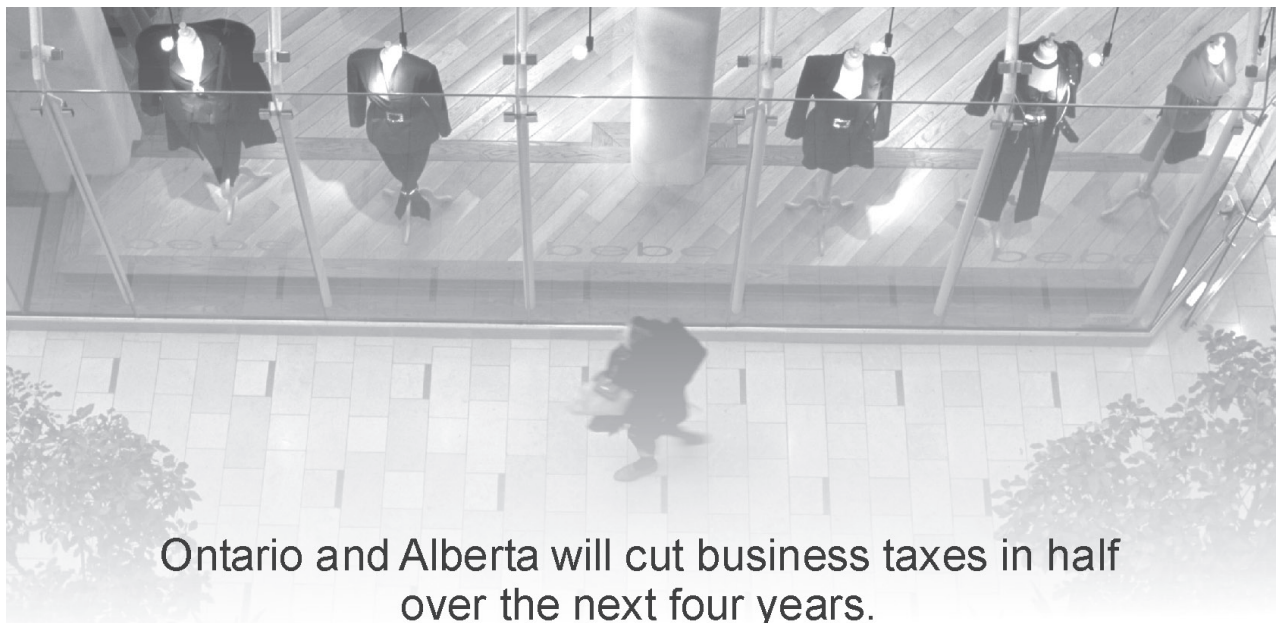
On the tax front, Ontario and Alberta will cut business taxes in half over four years. Already low personal taxes in Alberta will be cut by 20% next year on average while Ontario will continue to cut personal taxes, indeed, as it has since 1995. In addition, Alberta has offered a rebate of up to \$840 this winter to families who will see their natural gas bills shoot through the roof.

As it is, one main reason the government is able to balance its books is precisely because of a jump in natural resource revenues - \$632 million higher than expected in the original budget for this year (and \$1.8 billion higher than in 1991). On the

Crown corporation side, \$100 million more is expected than originally forecast (and \$700 million higher than ten years ago), while Ottawa will hand over about \$65 million more than originally predicted (\$700 million higher than ten years previous).

Some of the revenue boost could have been re-directed towards temporary tax rebates a la Alberta. Unfortunately, much of that money was already spoken for, with little of it coming back to taxpayers. If the government had not bumped up civil service wages by \$1.3 billion during its "zero, zero, and two" wage freeze, duplicating our neighbour's tax reductions and health care spending increases would have been possible.

Taxpayers should pause for a moment and consider the difference between the permanent spending increases and tax relief. Spending increases carry with them guaranteed annual higher bills due to wage agreements and the difficulty of dislodging a particular spending program, even when unnecessary or



Ontario and Alberta will cut business taxes in half over the next four years.

# BRITISH COLUMBIA

unrelated to its original purpose. Some spending increases may be necessary in certain departments, but tax relief has a feedback effect upon economic growth, i.e. — tax relief boosts private sector activity and entrepreneurship in a way that government spending does not.

The current government has a bias towards spending, particularly on its public sector political allies. Tax

relief has been meagre and forced in response to competition to other provinces and due to Ottawa. That has to change, otherwise other provinces will continue to outstrip BC in terms of investment, economic growth, job creation and wage growth. The current government often asks whether British Columbians "afford" tax relief. The same question is never asked about the spending side of the envelope. ■

## 18,000 Signatures delivered to TransLink

In late November, CTF-BC director Mark Milke delivered petitions containing 18,000 signatures to TransLink offices in Burnaby to protest the proposed \$40 to \$190 vehicle tax for all drivers in greater Vancouver.

TransLink and the Greater Vancouver Regional District voted to impose the tax in early December.

who travel greater Vancouver roads every day and for those who visit occasionally, don't expect your line-ups to get much shorter. Out of the \$446 million TransLink will collect the new auto tax between 2001 and 2005, only \$342 million in capital expenditures.

They will also take in \$91.6 million in parking taxes over the same period.

Total taxes collected from motorists from a new auto tax, increased parking taxes, and fuel taxes.

portation in greater Vancouver is made by car. TransLink *hopes* to reduce that to 70% by 2006.

Translation:

**Victory!**  
As this issue went to press, the provincial government announced it would not allow the TransLink Tax. Another victory for taxpayers!

TransLink tax will go to roads?

For those

er. Between 2000 and 2005, TransLink will take in \$1.36 billion in fuel taxes.

remove congestion on the roads. Don't bet on it. Their own projections show that 77% of trans-

pay a lot more for the privilege.

TransLink should think about redirecting more money to the road system since that's where most people will continue to be. ■

## Levy vote delayed

By Frank Luba  
Lower Mainland Reporter

TransLink voted yesterday to delay making a decision on its controversial vehicle levy, sending the proposal back to municipal staff for yet another review.

Without the anticipated revenue from the levy, the board then cancelled 80,000 service hours promised under the already-approved transportation plan.

But it narrowly approved buying 27 more buses to avoid an 18-month delay by cancelling the order.

Board member Gordon Price pondered how TransLink would pay for the buses without the levy. Because the service promised for Dec. 11

increased earlier this year. "[Transit users] are the ones that are going to get hosed in this," said Price. "That's the brutal reality of this."

But the motion was deferred until the Nov. 22 TransLink board meeting when staff are to come back with a more acceptable way to fund the transit system.

Surrey Mayor Doug McCallum, a vocal opponent of the levy, hailed the decisions.

"This is taking time to catch our breath," he said. Board chairman George Puil took the opposite position.



MARTIN

momentous decision has to be made and politically it's never expedient to impose a tax or levy on the general populace.

"The rubber hits the road here and there are people that don't want to make the decision."

The debate followed a stormy public response to the levy at a TransLink meeting Wednesday which attracted angry taxpayers.

■ The Canadian Taxpayers' Federation says it will deliver petitions

today from 18,000 people opposed to the vehicle tax.

■ The B.C. Autom

NO LEVY link to an explanation of the organization's opposition to the levy and form letters that can be filled in and sent to the GVRD to oppose the levy or to lobby federal candidates to commit cash for transportation improvements.

One federal candidate, Liberal Finance Minister Paul Martin, met yesterday to discuss transportation funding but he made no immediate offer of money.

"I think the ma

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## Make Your *Voices* Heard

by Troy Lanigan

**M**ost governments in Canada could only dream of this. Having achieved budget surpluses earlier this decade, Alberta is now poised to completely eliminate its provincial debt in just two years. The question is: where do we go from here?

The Klein government has just released a survey that will be sent to every Alberta household seeking guidance on disposition of interest savings and “unpredictable resource money”. The survey will likely be a precursor to the debate about the future of taxes generally and income taxes in particular.

Broad ‘direction seeking’ surveys on the province’s fiscal direction have been sent out in the past. Most, including the one sent just two years ago, placed debt reduction as priority number one. To its credit, the Alberta government has a law that directs 75% of all budget surpluses into debt reduction. Without that legislation and perhaps, without that consultation, it’s doubtful we would be in the position we are today.

But it’s not all good news. That survey of two years ago listed tax cuts, priority spending, and increased saving in the Alberta Heritage Trust Fund as ordered priorities behind debt reduction.

Simply put: it hasn’t been that way at all. The province’s just released second quarter fiscal update again puts increased spending far ahead of tax relief. Spending is up a billion dollars in just the first 6 months of the current fiscal year. In fact, the government is now spending what it had budgeted to spend two years from now.

Tax cuts? \$485-million, less than *half* of what the government will add in new spending.

As for the \$12-billion Heritage Trust Fund, it’s income this year is being transferred into general revenue. Not exactly what survey respondents had in mind.

Still, it’s important to send this survey in. The premier says that it “will be binding on the government to the extent that’s it’s politically prudent to listen to what people have to say”. On the big issues, that appears to be the case. And, given overwhelming consensus it would be difficult for a government soon heading to the polls to do otherwise.

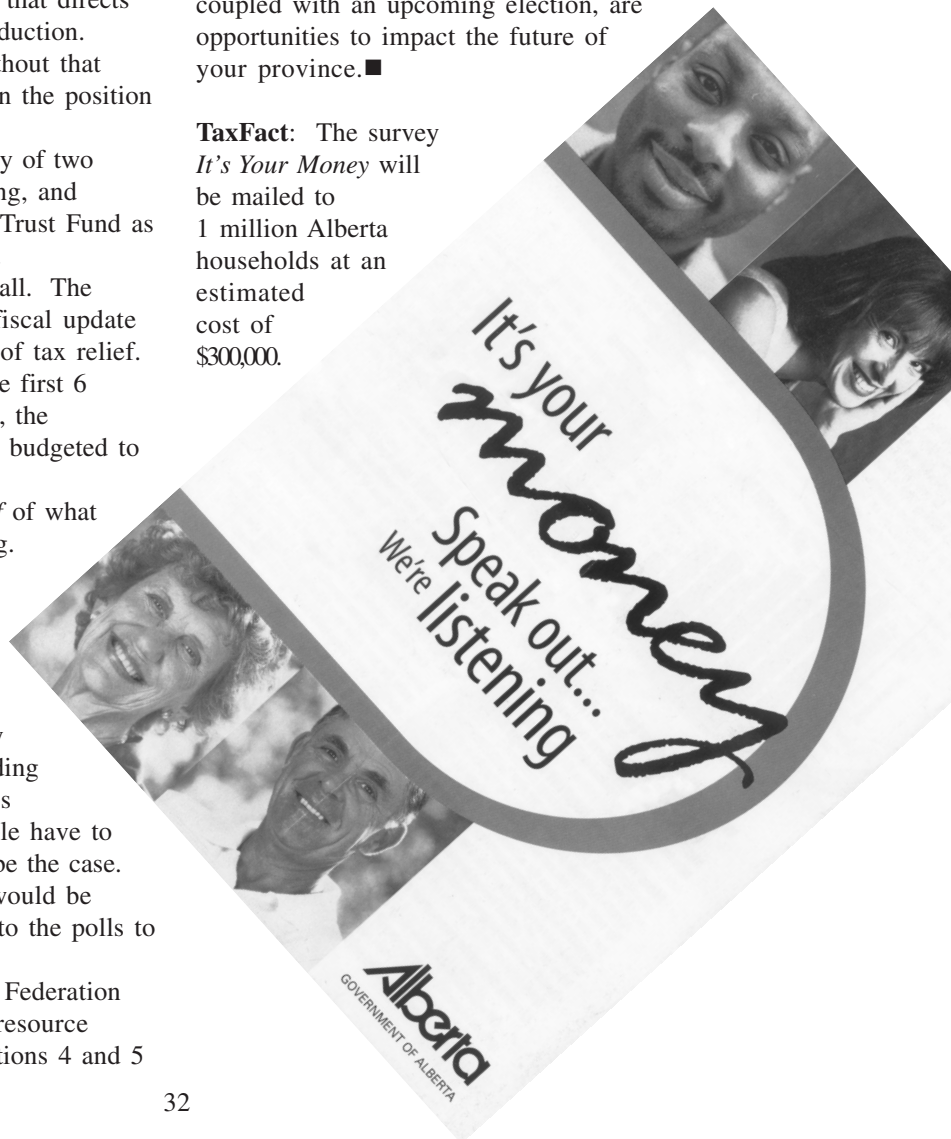
For our part, the Canadian Taxpayers Federation (CTF) recommends that “unpredictable resource money” be directed to “savings” in questions 4 and 5

on the survey, which leads into the debate on the future of taxes in Alberta.

The CTF will soon be commissioning a study examining the prospects for eliminating income tax in the province *without* having to impose a sales tax. The idea is this: direct resource revenue surpluses to the Heritage Trust Fund to the point where income generated by the Fund would supplant what is currently raised by income taxes. Can it be done? Yes. A similar arrangement operates in the state of Alaska — called the Permanent Fund — with much success. Looking to the future, Alaska’s Permanent Fund now generates more revenue than the state’s “unpredictable” resources. The same could be accomplished in Alberta if the government controls its spending and allows the Fund to grow.

So make your voices heard. This survey, coupled with an upcoming election, are opportunities to impact the future of your province. ■

**TaxFact:** The survey *It’s Your Money* will be mailed to 1 million Alberta households at an estimated cost of \$300,000.



## Simpler, Lower and Flatter II

In May 2000 the CTF submitted a proposal to simplify business taxes in Alberta. The following chart shows the Federation's proposals to the Alberta Business Tax Review Committee, what the Committee proposed, and what has been implemented to date by the government.

<b><i>Canadian Taxpayers Federation Simpler, Lower and Flatter II May 2000</i></b>	<b><i>Alberta Business Tax Review Committee Final Report and Recommendations September 2000</i></b>	<b><i>Government Action</i></b>
The province should reduce both the general corporate income tax rate and the manufacturing and processing rate to 8 percent.	Same	Recommendation accepted. Will be fully phased in by 2004.
Alberta should reduce the small business tax rate to 4 percent.	Alberta's small business rate should be cut in half from 6% to 3%, effective January 1, 2001.	Recommendation accepted. 3% rate will be fully phased in by 2003.
The income threshold of the small business corporate income tax rate should be doubled from \$200,000 to \$400,000.	Same	Recommendation accepted. Will be fully phased in by 2002.
The province should eliminate the Insurance Corporations Tax, the Financial Institutions Capital Tax and the Hotel Room Tax.	No changes should be made to the Insurance Corporations Tax or the Hotel Room Tax. Alberta's Capital Tax on Financial Institutions should be eliminated.	Recommendation partially accepted. Capital Tax on Financial Institutions will be eliminated in 2001. Insurance Corporations Tax and Hotel Room Tax remain.
Alberta should reduce its gasoline rate by 5 cents per litre over a 5 year period and lobby the federal government to match the province's cut.	Fuel tax rates for aviation fuel, railway diesel fuel, gasoline and diesel fuel should be maintained at current levels. Changes should be made to current fuel tax exemption programs so that only unlicensed vehicles and equipment are eligible to use marked, tax exempt fuel.	No change in tax rate, but \$300 per Albertan energy rebates issued.
The non-residential education property tax rate should be lowered over a 5 year period to \$6.77 per \$1,000 of equalized assessment, thus creating one single education property tax rate.	None	Total tax revenues reduced by \$135 million.

# SASKATCHEWAN

*Memo to Crowns:*

## Squeeze Profits and Costs - Not Ratepayers

*by Richard Truscott*

**H**ere's an idea for heating and lighting your house this winter: instead of paying SaskEnergy and SaskPower, just take the money out of your wallet and burn it directly! Just kidding of course. But on the heels of SaskEnergy's proposed 23% hike on heating bills, and SaskPower's proposed 5.2% increase on power bills (and let's not forget SaskTel's rate hike last March), people are concerned about what the future holds for utility taxes.

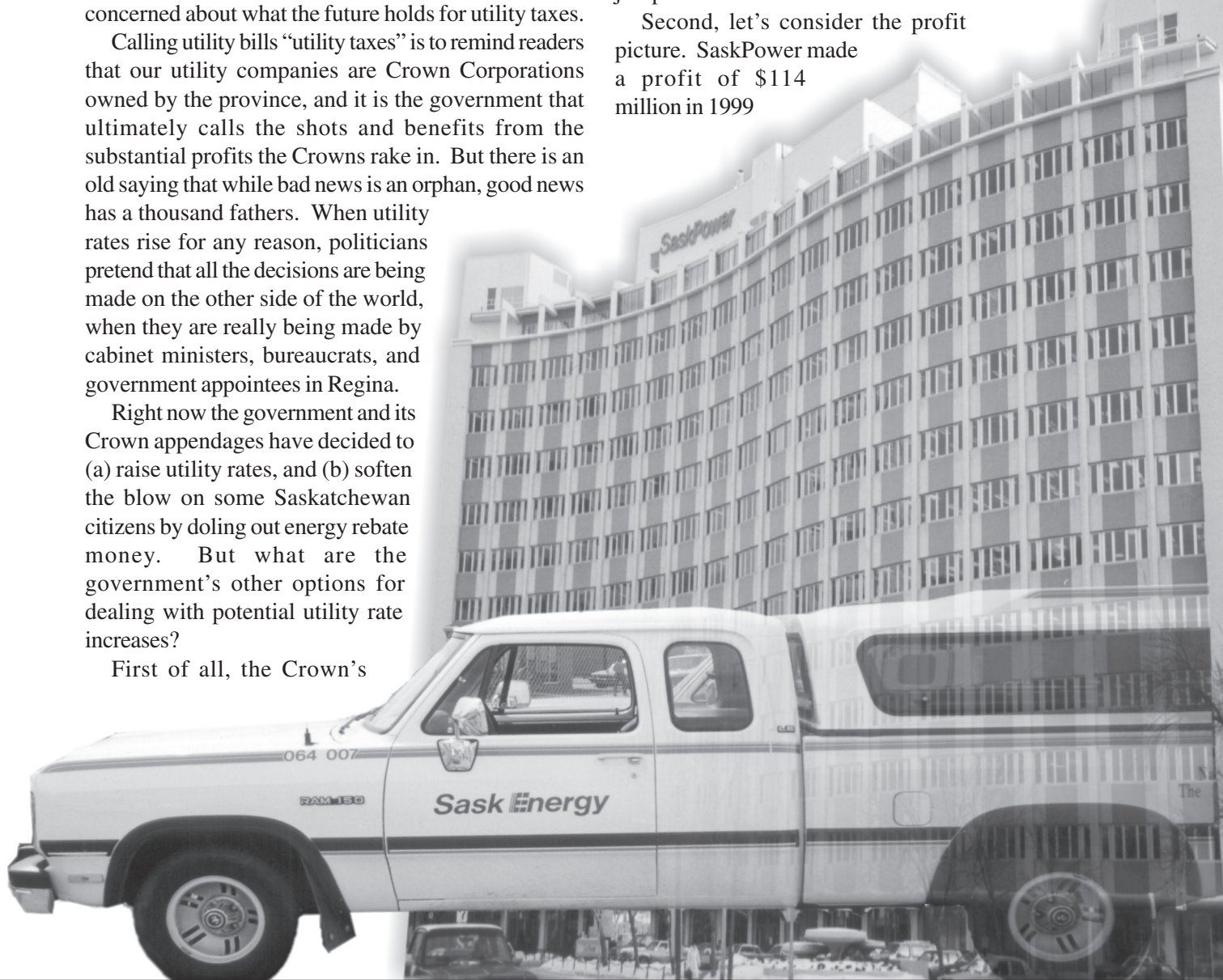
Calling utility bills "utility taxes" is to remind readers that our utility companies are Crown Corporations owned by the province, and it is the government that ultimately calls the shots and benefits from the substantial profits the Crowns rake in. But there is an old saying that while bad news is an orphan, good news has a thousand fathers. When utility rates rise for any reason, politicians pretend that all the decisions are being made on the other side of the world, when they are really being made by cabinet ministers, bureaucrats, and government appointees in Regina.

Right now the government and its Crown appendages have decided to (a) raise utility rates, and (b) soften the blow on some Saskatchewan citizens by doling out energy rebate money. But what are the government's other options for dealing with potential utility rate increases?

First of all, the Crown's

should stop fixating on the revenue side of the ledger and look at costs. At least some of these rate hikes could be offset if SaskEnergy and SaskPower achieved some efficiencies in their own operations. SaskPower's 5.2% increase will net the corporation another \$31 million. But SaskPower's operating, maintenance, and administration (OMA) expenses alone have increased by 45% between 1996 and 1999, including a \$45 million jump from 1998 to 1999.

Second, let's consider the profit picture. SaskPower made a profit of \$114 million in 1999





# SASKATCHEWAN

and \$140 million in 1998, with fully half of that going into provincial government coffers. Next year, a similar profit is anticipated for the government. On top of that, the high natural gas prices that are blamed for utility rate increases are also greatly benefiting this province via royalties and taxes on gas exploration and production. How ironic that the profits that would flow from utility rate hikes will go to the very same government that plans to dribble out energy rebates with an eyedropper!

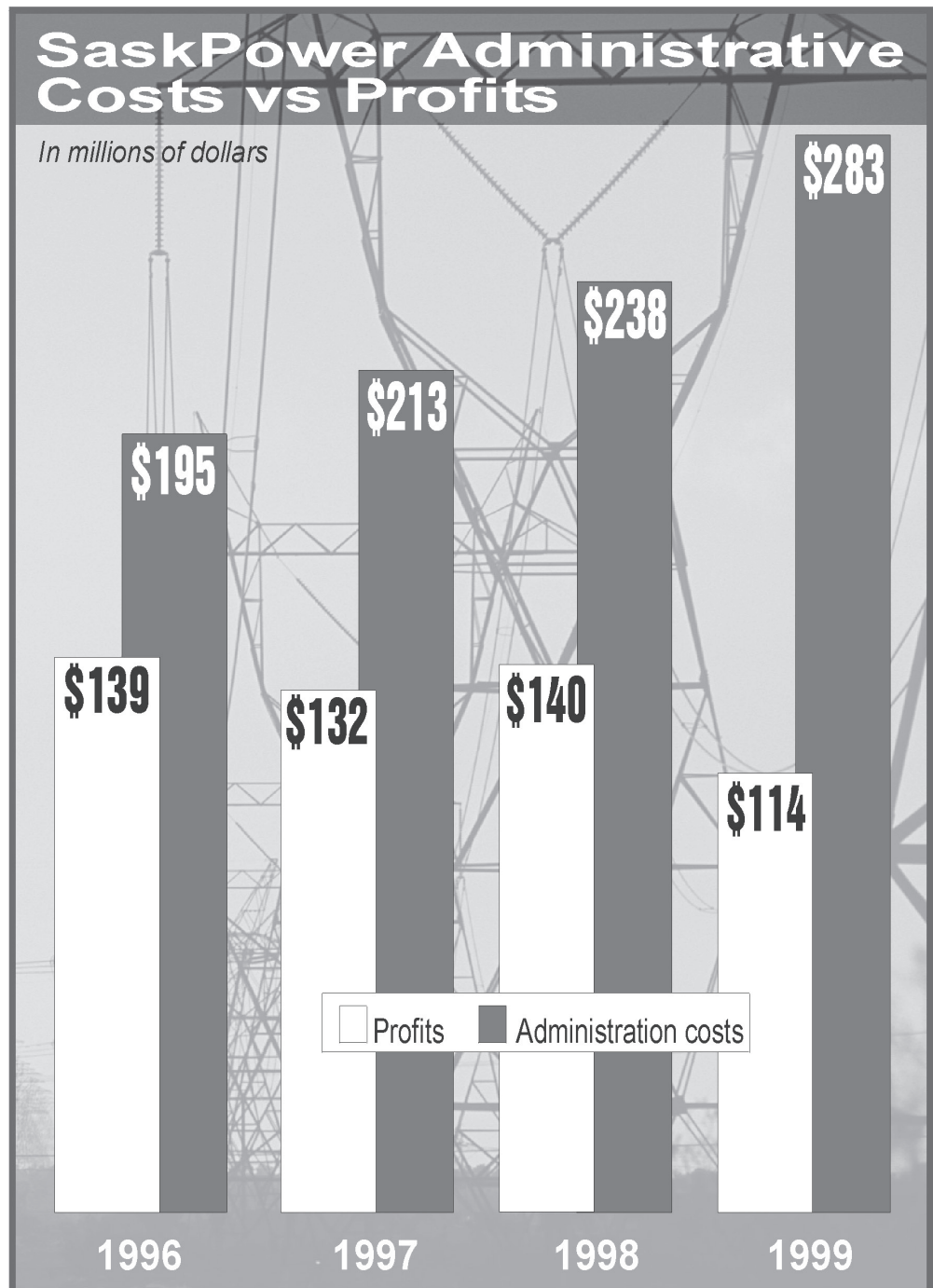
The point is this: In these tough times for consumers, why can't the government forego some of its profit and give the Crown utilities some room to keep rates low? It's an option.

Another option is soften the blow of rate increases by reducing taxes. Instead, the government is monkeying-around with an energy rebate scheme that will not come close to offsetting the utility increases. In addition, the cut-off line that divides rebate recipients from everyone else is largely arbitrary.

The energy rebate is a stop-gap measure that does little to address the real income problems of Saskatchewan residents. A better, fairer, more permanent solution would be to put more money in our pockets by increasing the amount of income we could keep tax-free by

increasing the Basic Personal Exemption. This would help low-income people the most, but all taxpayers would benefit, and the whole Saskatchewan economy would benefit from this necessary move towards lower income taxes.

Let's not forget that the government's profit from utility rates and gas prices is YOUR profit as a citizen of Saskatchewan. In this cold and dark prairie winter it's time for the politicians to share the wealth. ■



## Surplus of Cash Exposes Deficit of Priorities

by Richard Truscott

Thanks to higher oil and gas revenues, our provincial government has been blessed with a surprise budgetary surplus of \$370 million. So how is the government handling this “windfall,” especially since an election may be on the horizon.

Well, you can’t go too far wrong by promising to fix the roads. The Finance Minister in his annual Mid-Year Financial Report announced that the government would spend an additional \$150 million on our crumbling roads and highways. The government hopes to get some traction with this promise, but we should wait until the rubber hits the road. We’ve heard these promises before only to see the roads torn up for gravel.

Taxpayers might forgive the government for the poor state of our roads if tax dollars had been spent on other important areas over the past few years. But spending has been unfocused, rising in virtually EVERY area. And more government spending doesn’t necessarily mean better outcomes. Without priorities, we could shovel hundreds of millions of additional tax dollars into public spending, but still have no assurance of better public services. The opposite is just as likely – maybe more so. And don’t forget that spending restraint and debt repayment is necessary to keep tax rates reasonable.

This doesn’t mean that we shouldn’t make important investments in healthcare, education, and highways. These are clearly priorities of the Saskatchewan people. But we must make tough decisions about spending on all government programs if we want to adequately fund key areas without overburdening taxpayers or bankrupting the province. It’s all about focus and priorities – two things that most governments lack.

To the government’s credit, it has finally realized that investment in vital infrastructure (i.e. roads) is one area where government can make a difference. But where has this priority been over the last decade while the pavement crumbled and government

spending increased to over \$6 billion per year? What has higher across-the-board spending done for us?

Has it served a growing population? No - our population has been stuck at one million for decades. Has it improved the quality of government services in the past few years? Most people would say no - especially in healthcare. Has inflation driven up the cost of government? Again the answer is no - inflation has been hovering around one or two percent. The answer seems to be that “government spending tends to expand in all areas,” not just the areas that taxpayers believe are a priority. This seems to be a law of the political universe. But luckily, it is a law we can change.

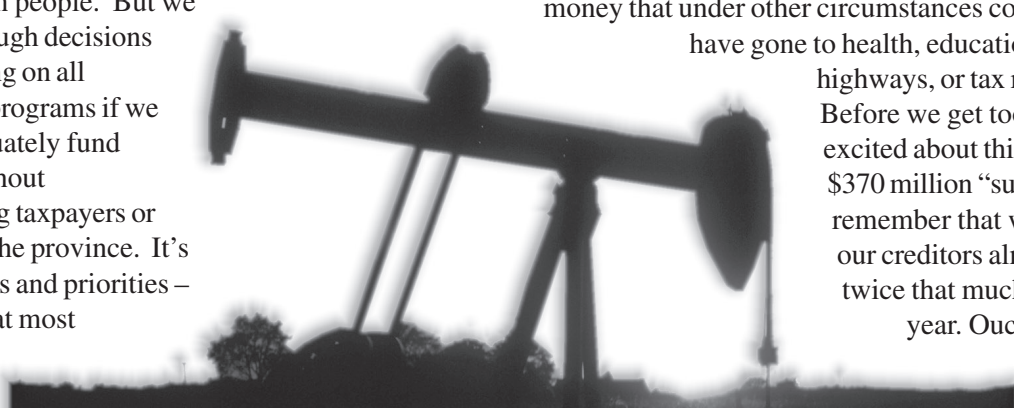
Governments need to re-engineer the way they spend the resources that taxpayers provide them. We can’t depend on oil windfalls to pay for vital spending, just like you and I can’t depend on winning the lottery to pay the heating bill. We need to prioritize.

One priority area the provincial government should direct the surplus to is debt reduction. Of that \$6 billion in spending mentioned earlier, \$675 million per year goes to servicing our public debt. That’s money that under other circumstances could

have gone to health, education,

highways, or tax relief.

Before we get too excited about this year’s \$370 million “surplus”, remember that we pay our creditors almost twice that much every year. Ouch!■



## Better control of health care spending

by Richard Truscott  
**L**ast year, Saskatchewan spent \$2.1 billion or 40% of the entire budget on healthcare, representing by far the provincial government's biggest single expenditure. In fact, health spending has risen by 24.1% from 1995 to 2000, three times faster than the rate of inflation.

In his November 2000 Report, the Provincial Auditor gave both the provincial Department of Health and the health districts poor marks for accountability of how they are spending our tax dollars. He noted that "the emerging trend of deficits (of our health districts) may be unsustainable if they continue to increase."

The Auditor also warned that the Health Minister was not approving district health budgets until as late as January or February of a fiscal year that ends one month later at the end

of March! So far this year only 12 of the 32 health districts have had their budgets approved as of December 2000 for the fiscal year 2000-01.

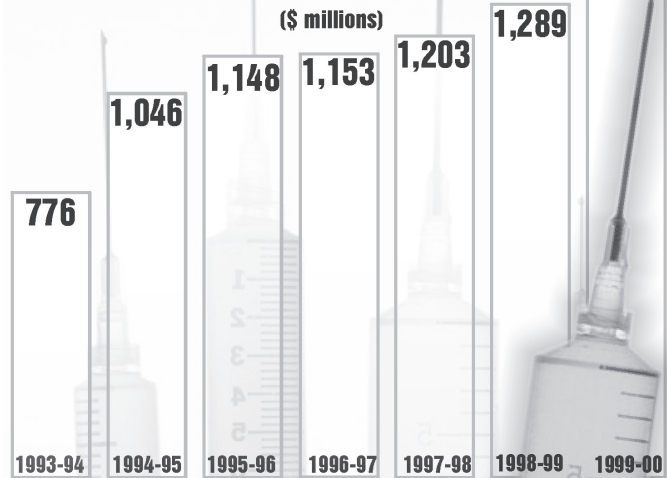
As a part of our mandate to track government spending at all levels, the Canadian Taxpayers Federation filed a *Freedom of Information* request asking for the revenues, expenses, deficits and debts for all 32 health districts.

The attached charts are a summary of the financial information for all 32 health districts for the last seven years. It is our intent to supply the public with basic financial information about the health dis-

tricts so they may better debate healthcare issues in our province.

It should be noted, however, that the CTF had to wait until this past December to receive the information from the Health Department because nine health districts had not submit audited financial statements for the previous fiscal year until mid September and two did not report until late November. ■

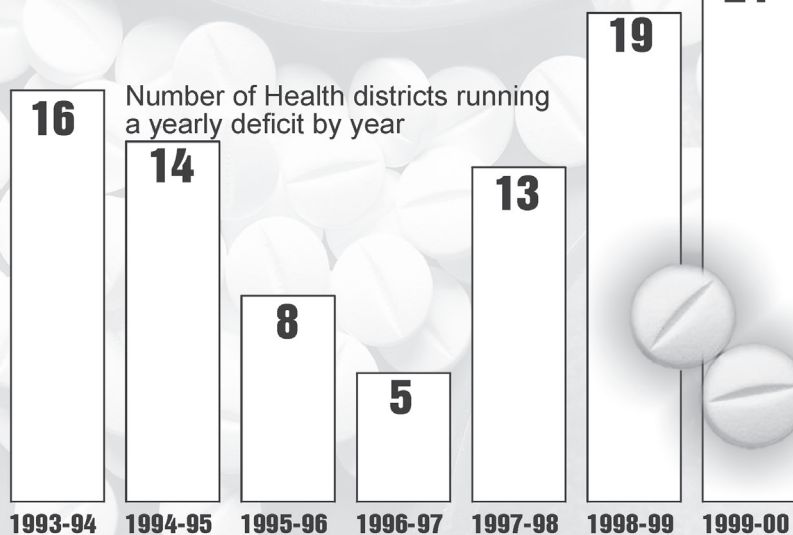
### Annual operating Expenditures for all districts



### Interesting facts & trends

- More than four times as many health districts had operating deficits in 1999-2000 than four years earlier (1996-1997).
- Expenditures by the health districts in Saskatchewan increased by approximately 81% from 1993-1994 to 1999-2000, or about 13.6% per year.
- The annual operating deficit for all health districts increased from \$6.2 million to \$47.5 million – an increase of approximately 666%.
- Overall, the health districts had more than ten times the bank debt in 1999-2000 than four years before (1995-1996).
- Overall, the health districts had 37% more total debt in 1999-2000 than two years previous and 185% more total debt than 1993-1994.

### Health Districts with Deficits





## Referendums: Spawn of Satan?

by Victor Vrsnik

Judging by the reaction to the Canadian Alliance's proposal on citizen-initiated referendums during the last election, you might expect to find a passage on referendums somewhere in the Book of Revelations. "And when the seventh seal was opened brimstone and hell-fire broke forth as the fiends voted in a referendum."

Heaven hath no mercy on dolts. And the opponents of referendums use this argument to keep ordinary Canadians away from the decision making process. Let the dolts ratify a political leader from a narrow selection of candidates but God help us should they pick and choose policies they find agreeable in a referendum.

The hysteria over referendums exploded around the time of the English language leadership debate. NDP leader Alexa McDonough called citizen-initiated referendums "cowardly and reprehensible." Joe Clark described them as a "dangerous mechanism." And Jean Chretien called them "divisive," adding that referendums "break families and villages and communities."

What they are afraid to say publicly is that Canadians are too feeble minded to take a position on a policy issue that will affect them directly. Citizens need to be mollycoddled by mental giants like Clark, McDonough and Chretien who have the wisdom and the moral fortitude to steer the country in the right direc-

tion.

The sanctity of elections is never challenged, only the capacity of Canadians to vote on specific issues by referendums. But what makes elections good and referendums evil? Why do general elections bring out the best in civil society but referendums bring out the dark side of human nature?

The elitist attitudes of Chretien, Clark and McDonough are so outdated as to invite scorn and mockery from a population that is more than capable to think for itself and rule itself on an issue-specific basis.

The trouble is that referendum results may fall out of step with political correctness. Politicians are afraid that Canadians will vote the wrong way.

But there is no right or wrong way to vote, only that voting in itself

is the right thing to do. So the country muddles along by decisions passed in Parliament or the Supreme Court which may or may not enjoy the support of the electorate.

The other problem is that referendums have a peculiar way of running against the will of the political leadership. The Charlottetown Accord was cobbled together by Joe Clark's party but was struck down by the voters. The same goes for the Parti Quebecois and the Bloc who lost two referendums on separatism.

It's not referendums that divide people, as Chretien believes, but ideas. Let those ideas either fester in the minds of Canadians like a time bomb or open them up to scrutiny and debate in a referendum campaign. Politics is too serious a matter to leave exclusively in the hands of politicians. ■



*The Swiss (above) have used referendums and citizen initiatives for centuries. Because of them, their politicians are accountable to the people for their full term, instead of just once every four or five years.*



## Winnipeg property taxes Stink

by Victor Vrsnik

**N**ow that my property taxes dropped \$20 this year from the 2001 City of Winnipeg budget, I can finally go out and buy that rake I always wanted. Thanks Mayor Murray and city councillors. It was mighty big of you not to take that \$20 bill after you and the school board cleaned me out for \$2,500.

More than anyone, city councillors know the value of a rake. They'll scrape away at every nickel they can get their hands on. If it's not a user fee for garbage collection then expect to take a hit from meter parking hikes downtown and in our city parks. Alternative revenue sources and high property taxes have kept the City in the plush style it has become accustomed to.

There's no getting around it. Property taxes do keep the city ticking.

They pay for our roads, garbage collection, parks, police, fire and paramedic services. These are the bricks and mortar of any metropolis. No one contests their value. How the money is spent is another question.

The city rounded out this fiscal year with a \$5.8 million surplus - a.k.a. over-taxation. Why not return the wealth to the property owners who created it? Because council in its wisdom has identified a higher purpose for your money - downtown festivals, conferences, tree planting and arts funding.

Make no bones about it. This year's two per cent property tax cut is welcome relief. But it's a far cry from something that resembles a substantive saving.

Over the past decade, Winnipeg has developed the reputation as one of Canada's leading destinations for outrageous prop-

erty taxes. A City of Edmonton survey of property taxes (excluding homeowner credits) and utility charges finds that Winnipeg is tied neck-and-neck with Regina as the most costly city to keep a home in Canada in 2000.

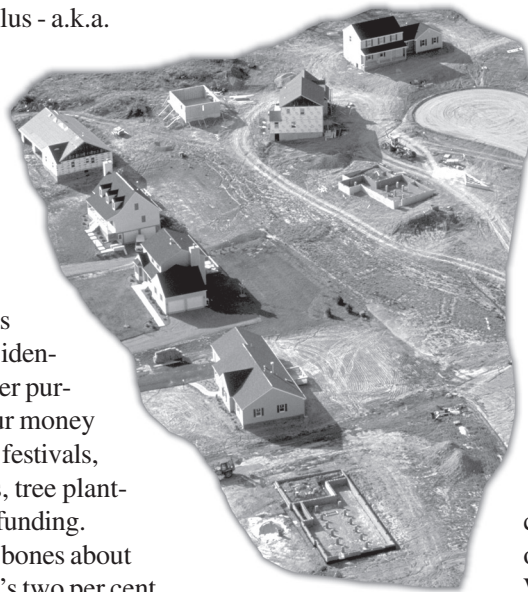
Our competition out west will slightly raise their property taxes this year but they can't hold a candle to Winni-

fall back on that tired old excuse about cheap housing stock in Winnipeg. So cheap that some North End residents plagued by arson can't buy home insurance.

Another cheap commodity is bottom of the barrel stock options. You buy low to sell high. But as an investment, Winnipeg real-estate prices have climbed at only a snail's pace.

To make matters worse, Winnipeggers who stay put will earn on average about \$10,000 less than those Winnipeggers who set up shop in Calgary. Their view of Winnipeg is through the rear view mirror. Council's view is still myopic.

Without invoking another tired argument - the Alberta oil patch - city council is running out of excuses to plunder Winnipeg homeowners and businesses. The longer Council puts off meaningful property tax relief, the harder the race to catch up to our competitors out west. In the meantime, it's still only a short drive to a low tax suburban get-a-way past the perimeter highway. ■



peg's punishing tax structure. The municipal portion of property taxes in Calgary is on average \$753 and \$837 in Saskatoon compared to a whopping \$1,456 in Winnipeg.

Critics of the report





by Victor Vrsnik

Prime Minister Jean Chretien fired up a few clay pigeons on cradle-to-grave welfare reform to test the marksmanship of the opposition, media and pressure groups. After a few successful hits on target, the PM has now been forced to distance himself from the scene of the crime.

Pundits from the left and right wasted no time in torpedoing the Prime Minister's search for a lasting legacy. Even the left-leaning Caledon Institute deep-sixed the 'one-size-fits-all' Guaranteed Annual Income (GAI) idea.

The Official Opposition in Ottawa and some media outlets were so outraged by the plan as to suggest that the Prime minister was acting out of character, as though turning public policy on a dime after a federal election was something out of the ordinary. Lest we forget Chretien's about face on the Free Trade Agreement and the GST after the 1993 election.

Chretien's patented flip-flops and betrayals call to mind the story of the scorpion and the frog. Both meet on the bank of a stream. The scorpion asks the frog to carry him across on its back. The frog asks, "How do I know you won't sting me?" The scorpion says, "Because if I do, I will die too." The frog is satisfied, and they set out. But in midstream, the scorpion stings the frog. Knowing they both will drown, the frog asks, "Why?" Replies the scorpion: "It's my nature..."

If the federal election was the stream that carried Jean Chretien to victory, then the electors were the toads who were set up for another betrayal, this time from a costly multi-billion dollar welfare plan that came

like a bolt from the blue.

The one guarantee Canadians could count on should his plan have prevailed is entrenched tutelage to the state, an extended period of servitude to the national debt and taxpayer misery for many years to come. The war against the debt and high taxes will all but be forgotten if Ottawa tacks left and sets the stage for program spending of epic proportions.

Now is not the time to turn on the spending taps. Canadians rich and poor are still being pummelled by high taxes. Statistics Canada just reported that income taxes are still the number one expenditure for Canadian households, eclipsing shelter, transportation and food.

The Prime Minister's reply is that Canadians should move to the US if they want tax cuts - a corollary to the American version, "if you don't like it, go to Russia." Maybe that's not such a bad idea.

The former communist nerve-centre is now experiencing a free-enterprise renaissance. Principal economic advisor to the government, Dr. Andrei Illarionov recently spoke to the Frontier Centre for Public Policy in Winnipeg on the merits of Russia's 13 percent flat tax plan.

"I have a magical solution for countries to get rich quickly," said Illarionov. "It's called economic freedom, which means... minimum intervention from the state."

A so-called free-enterprise country like Canada could take a few cues from our neighbour to the north. Now that cradle-to-grave welfare has been filed away, the Chretien government can work on Canada's economic freedom. Delivering on its Red Book pledge of tax cuts and debt relief would make for a good start. ■



# MANITOBA

Supporters of the Canadian Taxpayers Federation faxed and e-mailed over 400 letters to Premier Gary Doer and Minister Responsible for Manitoba Public Insurance Becky Barrett to protest the government's intention to raid the MPI surplus. CTF supporters demanded that the auto insurance profits be returned to Manitoba motorists and not be used for government operations. We were successful! Minister Becky Barrett had this to say to CTF supporters:

## Manitoba

Minister Responsible for  
The Manitoba Public  
Insurance Corporation



November 29, 2000

Canadian Taxpayers Federation  
428 Portage Avenue  
Unit 212  
Winnipeg MB R3C 0E2

Dear Members:

Thank you for your recent inquiries concerning the proposed Manitoba Public Insurance (MPI) financial commitment to three Manitoba universities and the Division of Driver and Vehicle Licensing (DDVL).

The Corporation has reconsidered its proposed commitment in light of the strong feeling expressed by Manitobans who contacted both MPI and the provincial government. Many ratepayers felt that vehicle owners should receive the full benefit of MPI's strong financial performance. MPI listened and acted upon those concerns.

Accordingly, MPI has asked the Public Utilities Board to approve an application which would see the entire 16.6 per cent one-time surplus dividend applied to insurance policies purchased or renewed between March 1, 2001 and February 28, 2002. This represents more than \$75 million that will be returned to Manitoba motorists by reducing the amount they pay for insurance premiums next year. It means that more than 99 per cent of private passenger vehicle owners will pay less for insurance next year.

Let me assure you that MPI is very mindful of its responsibility to provide the best possible insurance coverage at the lowest possible cost to Manitobans. In fact, if this year's rate application is approved, this would be the third year in a row in which most vehicle owners will be paying less for insurance.

Overall, Manitobans have paid – and will continue to pay – some of the lowest insurance premiums in Canada. Even though MPI has been able to keep premiums low in comparison to the rest of the country, it has still continued to demonstrate a continued strong financial performance.

Thank you for taking the time to express your views. It's through communication with our customers that MPI can continue to improve its products and services.

Sincerely,

Becky Barrett



*Our Past. Our Future. Our Celebration.  
Notre passé. Notre avenir. Notre fête.*

## CTF Knocks Down Offensive MPP Pay Raise Proposal

by Walter Robinson

"Unconscionable, offensive and a betrayal of the trust that Ontarians have placed in the Premier and his government." This was the first line of a CTF-Ontario news release this past November responding to a proposed 42.2% pay raise for all MPPs at Queen's Park.

While there was some merit for an MPP pay raise given their reduced numbers (now at 103 down from 130 in 1995) and enlarged constituencies (as a result of matching provincial ridings to federal boundaries), 42.2% was simply obscene.

The whole pay raise fiasco clearly showed how five years of power changes things. In 1995, the Tories cut cabinet minister's salaries, ended tax-free perks and reformed the MPP pension plan to adhere to the first principle of pay for politicians, **simplicity**. It was a great start. But they were poised to discard the other principles of **transparency**, **accountability** and **fairness** last fall.

The CTF immediately sprung into action and harnessed public opposition through a barrage of phone calls, faxes and e-mails which landed right in the Premier's office to force the Mike Harris Tories to back off the pay proposal ... for now. But this debate will resurface, so we should lay the ground rules from the outset to ensure a fair and reasoned debate.

MPPs currently earn a base salary of just over \$78,000 plus top-ups for various legislative officer positions (i.e.: Premier, Cabinet Minister, Party Leader and other House officer positions). With provincial ridings (since 1999) now matching federal ridings, MPPs are making the case that wage parity with their Ottawa-based counterparts should factor into a compensation increase.

There is some merit to this claim for parity, especially when one considers that the province directly delivers more core services such as health care and education. However, reaching a level of parity or comparability must be part of a phased approach which certain guiding principles should be followed.

The CTF has consistently espoused the principles of simplicity, fairness, accountability and transparency as the guideposts for establishing politicians' pay. As noted above, Ontario MPPs have come a fair way when it comes to **simplicity**. Indeed, their federal cousins would be wise to replicate Ontario's actions on abolition of tax-free allowances and pension

plan reform. But from here it goes downhill.

Turning to **fairness**, a 42.2% pay hike or even a 25% pay hike, is not on. Ontario has recently negotiated agreements with various employee unions that have resulted in compounded raises between 8% and 12% over three and four years. In addition, private sector wage growth – depending on the industrial sector – is hovering between 3% and 5% per year. In the interests of fairness, any MPP pay adjustment should strike a balance between prevailing public and private sector wage trends.

As for **accountability**, the entire MPP pay process fails miserably. Any future pay proposals should be derived from an arm's length body and subject to full and open debate along with referral to the **Standing Committee on the Legislative Assembly** and the opportunity for public delegations to provide input and suggest amendments.

Finally, **transparency** is paramount. Any new pay package should only come into effect after the next election. This removes any potential conflict of interest since politicians must seek re-election first, giving voters the opportunity to judge their performance and their new pay package. ■

**Attention all MPPs -- Please don't confuse getting elected with striking the mother lode...**





## *AG's Report Shows* **Harris Tories There's Some Fixin' To Do**

by Walter Robinson and  
Bruce Winchester

**A**midst all the fire and fury of November's municipal and federal elections, Ontario Auditor General (AG) Erik Peters released his annual report. And now that the electoral smoke has cleared, his work – all 300 pages – deserves another look.

Since 1995, Premier Harris and crew have constantly reminded us that they're not the government: they're just here to fix it. Well Mr. Peters sure has found more than a few things that **still** need fixin'.

He notes that over 50%, some \$30 billion, of annual government expenditures is funnelled through arms-length or private agencies. However, these agencies do not fall under the purview of the AG's office. Therefore, Ontario taxpayers have no assurance that they are receiving value for 50% of their tax dollars. This is not accountable: it needs fixin'!

Contracting out services or engaging private or not-for-profit providers to reduce costs or improve delivery is fine, but it does not excuse the government from its governance functions to monitor per-

formance and remain accountable to taxpayers.

Over at AgriCorp (Ontario's crop insurance plan) all is not well. According to the AG "AgriCorp failed to manage certain of its resources with due regard for economy and efficiency and on a number of occasions, failed to safeguard resources entrusted to it."

AgriCorp invested \$325,000 in a speculative bond (read: risky day trading) venture; hired an investment advisor for \$400,000 without tendering the contract; bought \$14.5 million worth of reinsurance sole source; and tried to illegally funnel \$10 million of Ontario Crop Insurance Fund monies to administration. AgriCorp definitely needs some fixin'.

Turning to health care, Ontario's approach to ambulance services is a mess. While local governments are now in charge of land ambulance services, in 1998, ambulances failed to meet local response benchmarks 50% of the time. In 1999, this number jumped to 60%.

As if waiting too long for an ambulance isn't scary enough, the AG also noted that in 36% of the cases where hospitals turned patients away from emergency

rooms due to "emergency redirect" or "critical care bypass", their emergency rooms were not full. So it looks as though health care needs more than money, some management fixin' is in order as well.

At the Environment Ministry, things are even worse. Staff cutbacks of 25% have led to a 34% decrease in inspections of water treatment facilities (down from an average of 400 inspections five years ago to 190 today) and other pollution sites. As a result, Ontario officials "usually learned of contaminated sites only after serious harm to the environment had already occurred."

Such revelations seem almost criminal. And speaking of convicts, Mr. Peters also pointed out that two new superjails are presently being constructed for Correctional Services in Penetanguishene and Lindsay in the absence of any sound and justifiable business cases.

Sticking with the law and order theme, it seems that some Ontarians made off with a "steal" when it came to 116 surplus government vehicles where the auctioneer's fees were higher than the actual selling price of the vehicles. In fact, one lucky Ontarian purchased a 1985 Chevy Celebrity for a paltry \$24. But the transaction cost taxpayers \$265 in auction fees. You can almost hear the caller now ... "going once, going twice, sold for a pittance now where's my fat commission?"

Ontarians elected the Harris Tories to cut taxes and balance the books. But they also elected them to be effective stewards of public dollars.

This stewardship needs some fixin' ... and quick. ■





# Aboriginal Business Subsidies

## Economic Development Opportunity Fund

The Economic Development Opportunity Fund (EDOF) provides equity funding for the start-up or expansion of Aboriginal businesses. The following list contains the name of the group receiving the funding, the purpose and the amount. For fiscal years 1998-99 and 1999-00. Total subsidies provided by EDOF in 1999-00 - \$6,198,565; 1998-99 - \$8,356,954.

### Yukon 1999-00

Selkirk First Nation - Multi-use facility/  
purchase & install equipment for general  
store - gas station - bakery & gift  
shop ..... \$245,000

### Yukon 1998-99

Carcross Tagish First Nation - Gas bar -  
convenience store & coffee shop  
complex ..... \$250,000  
Kwanlin Dun First Nation - Gas Station and  
convenience store ..... \$92,000  
Sub-total ..... \$342,000

### Alberta 1999-00

Whitefish (Goodfish) Lake Fn - Expand  
business which manufactures outdoor  
home & garden products ..... \$100,000  
Saddle Lake First Nation - Custom cabinet &  
pole manufacturing ..... \$100,000  
Saddle Lake First Nation - Storage centre &  
building material supply centre ... \$80,000  
Heart Lake First Nation - Expansion of  
construction company ..... \$100,000  
Kehewin First Nation - Exp of convenience  
store ..... \$100,000  
Siksika Nation - Special irrigation pivots for  
grass sod ..... \$200,000  
Swan River First Nation - Expansion into  
forest harvesting ..... \$75,000  
Chipewyan Prairie Logging - Logging for  
carrier/chipewyan lumber mill .... \$150,000  
Woodland Cree First Nation - Expansion of  
construction equipment rentals .... \$95,000  
Tall Cree First Nation - Ainsworth gravel  
Phase 1 ..... \$81,000  
Sub-total ..... \$1,081,000

### Alberta 1998-99

Loon River First Nation - Contracting  
company, Oil, gas & forestry ind \$50,000  
Blood Tribe - Retail grocery - clothing -  
hardware - pharmacy & deli ..... \$150,000  
Sunchild First Nation - Expand the Sunchild  
Small Business Centre ..... \$50,000  
Heart Lake First Nation - Gas bar, conven-  
ience store & coffee shop comp. \$100,000  
Enoch Cree Nation - Gas bar/convenience  
store ..... \$100,000  
Dene Tha' First Nation - Expand, move  
existing grocery/confectionary store and  
gas bar & add a new pharmacy . \$200,000

Alexis First Nation - Alexis Business  
Corporation Ltd. (construction/resource  
development ..... \$250,000  
Athabasca Chipewyan - First Nation -  
Manufacture kevlar wrist-o-lettes . \$50,000  
Little Red River Cree First Nation - Margaret  
Lake Lodge Modernization ..... \$70,000  
Western Cree Tribal Council - Expand  
contracting company ..... \$200,000  
Frog Lake First Nation - Expand gas bar -  
store, car wash, lube/oil service \$100,000  
Pimewell Servicing Ltd. - Wash, inspect  
oil tubing; & sandblasting Ser-  
vices ..... \$150,000  
Blood Tribe - Agri-Supply/Bulk Fuel Joint  
Venture ..... \$250,000  
O'Chiese First Nation - Expand business  
service centre and retail outlet ... \$150,000  
Alexander First Nation - Expand contracting  
company ..... \$175,000  
Stoney Tribe - Expand/modernize Lodge -  
Tourism operation ..... \$250,000  
Sub-Total Alberta ..... \$2,295,000

### Atlantic 1999-00

North Shore Micmac - District Council -  
Expansion of existing retail busi-  
ness ..... \$9,346  
Woodstock First Nation - Gas Bar and  
Convenience store ..... \$50,046  
Eskasoni First Nation - Window and Door  
manufacturing plant ..... \$122,000  
Conne River - Addition to facilities for  
tourism project ..... \$18,800  
Sub-Total ..... \$200,192

### Sask. 1999-00

Touchwood Agency T. C. - Farm improve-  
ment ..... \$2,400  
File Hills Qu'Appelle T. C. - Establish a  
recording and production studio . \$10,000  
Lac La Ronge First Nation - Expansion of  
furniture - appliance & electronic  
store ..... \$50,000  
New Horizons First Nation Inc. - Expansion of  
Landmark Inn ..... \$50,000  
Meadow Lake Tribal Council - Store  
Expansion ..... \$50,000  
New Horizons First Nation Inc. - Expand gas  
bar & confectionary ..... \$50,000  
Battlefords Tribal Council - Road grader  
contracting service ..... \$9,300

Saskatoon Tribal Council - Establish a  
general contracting & construction  
bus ..... \$32,400  
Prince Albert Grand Council - Upgrading of  
computers & software for the  
future ..... \$10,000  
Agency Chiefs Tribal Council - Expand -  
renovate & operate Penn Store ..... \$24,000  
Agency Chiefs Tribal Council - Establish a  
restaurant to serve FN residents .... \$7,800  
File Hills Qu'Appelle T. C. - Establish a  
custom combing operation ..... \$50,000  
Onion Lake First Nation - Establish an elk  
farm operation ..... \$25,250  
Saskatoon Tribal Council - Establish a hog  
feeder operation ..... \$40,000  
Saskatoon Tribal Council - Establish a  
plumbing and heating business .... \$6,554  
Saskatoon Tribal Council - Expansion costs  
for fencing - water - power &  
equip ..... \$29,224  
Prince Albert Grand Council - Expansion to  
include gasoline sales ..... \$19,548  
Battlefords Tribal Council - Expansion of  
Bison Farm ..... \$19,800  
Beardy's & Okemasis F.N. - Expand pension  
- health - & life insurance bus .... \$14,472  
Battlefords Tribal Council - Expansion of a  
cow-calf operation ..... \$24,000  
Saskatoon Tribal Council - DML Framing &  
pressure wood foundations ..... \$12,000  
Prince Albert Grand Council - Expand  
grocery store & gas bar ..... \$8,320  
Sub-total ..... \$545,068

### Sask. 1998-99

Saskatoon Tribal Council - Exp. of products  
& services to a larger client base \$26,000  
Saskatoon Tribal Council - Establish a mobile  
disc jockey service ..... \$1,250  
TFHQ Tribal Council - Est. a compound  
service on the Carry the Kettle  
FN ..... \$6,000  
Thunderchild First Nation - Exp. of an  
outfitting business ..... \$116,000  
TFHQ Tribal Council - Est. a mobile  
operation: furnace & air duct  
cleaning ..... \$11,000  
Saskatoon Tribal Council - Exp. of insurance  
services to Manitoba ..... \$30,000  
Saskatoon Tribal Council - Exp. of trucking  
and contracting business ..... \$30,500

## THE TAXPAYER

Saskatoon Tribal Council - Exp. an auto wrecking - salvage & repair business .....	\$30,000
Saskatoon Tribal Council - Est. an institute in partnership with MD Ambulance .....	\$13,600
Meadow Lake Tribal council - Establish a laundromat & commercial laundry service .....	\$50,000
TFHQ Tribal Council - Expand flooring and structural steel business .....	\$30,240
Saskatoon Tribal Council - Upgrading of equipment .....	\$32,000
Meadow Lake Tribal Council - Establish a bison project .....	\$16,000
Meadow Lake Tribal Council - Mixed grain and cattle farm .....	\$50,000
Prince Albert Grand Council - Exp. and modernize the Ne-He-Tow Store ...	\$40,000
Prince Albert Grand Council - Construct and operate a new Co-op grocery store .....	\$249,900
Saskatoon Tribal Council - Purchase plumbing - heating & air cond. services co .....	\$52,800
Saskatoon Tribal Council - Expansion of a confectionary & gas pump business .....	\$5,000
TFHQ Tribal Council - Exp. of cattle herd for members of co-op .....	\$53,800
Touchwood Agency Tribal Council - Retail complex; grocery store - restaurant - gas bar .....	\$100,000
Meadow Lake Tribal Council - Concrete - aggregate, equip. rental, hauling .....	\$50,000
Saskatoon Tribal Council - Unlicensed restaurant at the Star Phoenix bldg .....	\$27,200
Yorkton Tribal Council - Trucking/Transport business (Truck/Tractor unit) .....	\$21,900
Saskatoon Tribal Council - Exp. of custom transportation co. This project includes construction of a maintenance bldg, equip., 13 satellite units & ISO9002 Quality system .....	\$175,000
Meadow Lake Tribal Council - Retail outlet: grocery items, fast food, gas video rentals Laundromat - car wash & postal services .....	\$85,000
Saskatoon Tribal Council - Purchase 2 Peterbilt Tractors for long haul transportation .....	\$50,000
Agency Chiefs Tribal Council - 250 head cow/calf operation .....	\$50,000
Saskatoon Tribal Council - Commercial office and retail building .....	\$249,900
Sub-total .....	\$1,653,090

### Manitoba 1999-2000

Mathias Colomb First Nation - Expand Akochikan Coop Phase 1 .....	\$250,000
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Fisher River First Nation - Establish hair salon .....	\$25,000
Swampy Cree Tribal Council - Establish medical boarding home .....	\$160,000
Pine Creek First Nation - Expand Pine Creek Store .....	\$40,706
Dauphin River First Nation - Establish convenience store & gas bar .....	\$17,000
Swampy Cree Tribal Council - Expand trucking & heavy equipment operation .....	\$104,150
Dakota Tipi First Nation - Establish Health Centre/Pharmacy .....	\$250,000
Fox Lake First Nation - Establish a Home Hardware Store .....	\$218,667
Sandy Bay First Nation - Establish Interlake Insulation .....	\$25,000
Long Plains First Nation - Establish Wearable Art .....	\$4,000
Sioux Valley First Nation - Establish Lucky Dollar Store .....	\$148,000
Sagkeeng First Nation - Expand tire shop - service bay & auto parts store .....	\$18,000
Red Sucker Lake First Nation - Establish a convenience store .....	\$17,396
Brokenhead First Nation - Establish fast food take-out service .....	\$6,400
Peguis First Nation - Purchase Colonel Willy's .....	\$56,608
Mathias Colomb First Nation - Expand Akochikan Coop Phase Two .....	\$50,000
Sub-total .....	\$1,390,927

### Manitoba 1998-99

Jackhead First Nation - Gas bar and convenience store .....	\$19,000
Sagkeeng First Nation - Hardware and plumbing operation .....	\$36,000
Waywayseecappo First Nation - Four seasons resort .....	\$250,000
Sagkeeng First Nation - Oil lube and tire repair .....	\$30,000
Opaskwayak Cree Nation - Shell gas station & convenience store .....	\$245,000
St. Theresa Point First Nation - Motel complex .....	\$75,000
Roseau River Anishinabe First Nation - vehicle repair .....	\$5,000
Sayisi Dene First Nation - expansion of winter road .....	\$100,000
Oxford House First Nation - auto supply parts/convenience store .....	\$8,813
Manitoba Keewatinowik Okimakanak - pharmacy .....	\$25,000
Dakota Tipi First Nation - Gas bar/convenience store .....	\$100,000
Peguis First Nation - Mail .....	\$250,000
Peguis First Nation - Pinecone Dairy Bar .....	\$40,000
West Region Economic Development - Expand & Modernize store at Airport .....	\$50,000

Long Plains First Nation - Connie Meeches .....	\$7,500
Southeast Community Futures Development Corp - Call Centre .....	\$50,000
Sub-total .....	\$1,291,313

### B.C. 1999-2000

ANDEVCO - Establishment of a resort complex .....	\$451,500
Little Shuswap FN - Tourism Conference Centre .....	\$220,000
Sub-Total .....	\$671,500

### B.C. 1998-99

Ktunaxa Kinbasket Tribal Council - tourism .....	\$100,000
Skidegate First Nation - Bowling Centre .....	\$100,000
Sub-total .....	\$200,000

### Ontario 1999-2000

Chippewas of Georgina Island - Improvement & expansion of Restaurant .....	\$43,840
Nipissing First Nation - Establish a trucking business .....	\$10,000
Sagamok Anishnabek - To build a small business centre .....	\$230,000
Pic Mobert First Nation - Build a multi-purpose community - office bldg. .....	\$180,500
Fort William First Nation - Establish a lawn/gift ornament business .....	\$10,000
Rainy River First Nation - Establish G.R. appliance repair business .....	\$5,000
Union of Ontario Indians - Establish an engineering company .....	\$100,000
Missanabie Cree First Nation - Purchase and renovation of camps .....	\$53,176
Six Nations - To expand sporting apparel business .....	\$46,000
Southern First Nations Secretariat - Establish a property maintenance company ..	\$7,000
Mohawks of Akwesasne - Facility to produce rotating biological contactors for water treatment .....	\$245,000
Mohawks of Akwesasne - Establish a fully automated water facility .....	\$245,000
Moose Factory First Nation - James Sutherland - Automotive Repair ....	\$8,625
Georgina Island First Nation - Flying Canoe Helicopter Charters .....	\$33,300
Fort Albany First Nation - Norman Ashamock, Store, Arcade .....	\$49,960
Sub-total .....	\$1,267,401

### Ontario 1998-99

Six Nations First Nation - Technology/Information consulting .....	\$75,000
Nawash First Nation - Dream Catcher Restaurant - Craft Shop .....	\$46,000

## THE TAXPAYER

Pic River First Nation - Five megawatt hydro electric power facility .....	\$300,000
Bearskin First Nation - Airline passenger service .....	\$150,000
Batchewana First Nation - Railroad freight car repair and overhaul facility .....	\$250,000
Bearskin Lake First Nation - Motel - restaurant - store .....	\$100,000
Mishkeegogamang FN - Retail store .....	\$36,176
Akwesasne First Nation - Renovations to Snye Fabrication building .....	\$100,000
Akwesasne First Nation - Start up of a coffee outlet in Peace Tree Mail .....	\$63,000
Akwesasne First Nation - Lacrosse stick production facility in Akwesasne .....	\$26,050
Wapekeka First Nation - Construction of a small business centre .....	\$160,000
Chippewas of Mnjikaning (Rama) FN - Start up of a hair salon with esthetic services .....	\$20,000
Sub-total .....	\$1,326,226

### Quebec 1999-2000

Eastman Band Council - Eastman Cultural Village .....	\$75,000
Conseil de la nation Huronne-Wendat - Bastien Industries .....	\$1,437
Conseil des Montagnais du lac St Jean - Mecanique Ilnu .....	\$13,000
Conseil des Montagnais du lac St Jean - Fabrication de raguettes .....	\$7,500
Nation Micmac de Gespeg - Galerie d'art et artisanat .....	\$35,510
Grand Conseil de la nation Waban Aki - Elaboration de site Web .....	\$4,960
Conseil de la nation Huronne-Wendat - Developpement commercialisation de logiciel .....	\$12,500
Conseil de la nation Huronne-Wendat - Chausseurs Huro .....	\$15,000
Ouje-Bougoumou Eenu Comp - Acquisition of sound system equipment ...	\$3,750
Conseil de bande Kitcisakik - Taxi Kitcisakik .....	\$10,000
Conseil de la nation Huronne-Wendat - Premontex .....	\$125,000
Uashat Mak Mani Utenam - Construction & Renovation Meshtuk .....	\$42,500
Listuguj Mi'gmac First Nation - Gray's Bakery .....	\$10,000
Mohawk Council of Kahnawake - The Shak - Chad Rice .....	\$30,000
Wiichihiitun Dev Corp - Expand facility & purchase of equipment .....	\$25,000
Conseil de la nation Huronne-Wendat - Acquisition de materiel informatiques .....	\$2,727
Conseil de la nation Huronne-Wendat - Expansion de l'etablissement .....	\$16,000

Conseil de la nation Huronne-Wendat - Expansion de l'etablissement .....	\$13,250
Conseil des Montagnais du Lac St Jean - Galerie d'art et artisanat .....	\$16,000
Wolinak - Incubator .....	\$225,000
Natashquan - Etude prefaisabilite ....	\$27,000
Conseil de la nation Huronne-Wendat - Achat equipement Martine Picard ..	\$2,875
Natashquan - Expansion d'entreprise .....	\$32,660
Kitigan Zibi - Business development - wilderness Tours .....	\$11,000
Wemotaci - Wemoqaz .....	\$40,000
Sub-total .....	\$797,669

### Quebec 1998-99

Kahnawake - Cable and internet distribution company .....	\$200,000
Kanesatake - Fabrication de vêtements .....	\$15,000
Huronne-Wendat - Repertoire d'Affaires .....	\$14,000
Huronne-Wendat - Commercialisation site internet .....	\$15,000
Huronne Wendat - Demarrage d'entreprise .....	\$10,000
Wemindji - Etude de pre-faisabilite portant sur la construction d'un havre en eau profonde desservant le territoire de la Baie James .....	\$25,000
Mistissini Cree - Cree Mining Guide ..	\$5,000
Kativik Reg. Govern - Socio-Economic Conference .....	\$45,000
Kativik Reg. Govern - Recording and video material .....	\$47,000
Waskaganish - skal 98 .....	\$2,000
Kitigan Zibi - Expansion of facility & purchase of equipment .....	\$33,000

Huronne Wendat - Etude de pre-faisabilite Implantation d'un centre d'affaires Autochtones .....	\$10,000
Huronne Wendat - Demarrage d'entreprise (centre jardin) .....	\$2,250
Betsiamites - Papinachois developpement Centre Touristiquecentre de ville-giature .....	\$191,000
Odanak - Implmentation of a CAMO Acquisition of electronic tools .....	\$6,500
Abitibiwinni - Demarrage d'entreprise - artisanat haut gamme .....	\$7,000
Listuguj - Fort Listuguj restructuration & marketing .....	\$56,000
Huronne Wendat - consolidation d'entreprise & achats d'equipement financement sur 2 ans .....	\$14,300
Wolinak - Elaboration d'un plan d'affaires .....	\$2,300
Essipit - Acquisition d'une pourvoirie et de ses equipements .....	\$125,000
Huronne Wendat - Etudes operations regroupement .....	\$35,000
Uashat Mak Mani Utenam - Etude de feasibilite - transspporteurs .....	\$8,975
Huronne Wendat - Salon Grand Air 99 .....	\$15,000
Sub-total .....	\$884,325

### NTW 1998-99

Dogrib Rae Band - Mining development and operations .....	\$225,000
Acho Dene Koe Band - Oil and gas field services .....	\$40,000
Inuvialuit Development - Corporation - Establish Super 8 Motel .....	\$100,000
Sub-total .....	\$365,000

## Regional Acquisition Initiative 1999-2000

Provides financial aid in the form "equity gap" funding for Innu and First Nation Businesses. The fund focuses on resource based business opportunities. The following breakdown lists the name of the group receiving the funding, the purpose and amount. RAI funding 1999-00 - \$10,001,233; 1998-99 - \$11,603,003

### B.C. 1999-00

ANDEVCO - Sawmill/Timber Licence .....	\$247,000
TI'azt'en FN - Sawmill/Timber Licence .....	\$168,500
Seton Lake FN - Log Homes .....	\$170,000
Saikuz FN - Log Homes .....	\$49,000
Sub-total .....	\$634,500

### Yukon 1999-00

Champagne & Aishihik FNs - Purchase of sawmill equipment .....	\$200,000
Sub-total .....	\$200,000

### Yukon 1998-99

Champagne & Aishihik First Nations - forestry operations - phase 1 sawmill project .....	\$100,000
Teslin Tlingit Council - forestry operations - sawmill project .....	\$120,000
Sub-total .....	\$220,000

### NTW 1998-99

Dog Rib Rae Band - Bulk fuel supply to northern mines .....	\$250,000
Sub-total .....	\$250,000



## THE TAXPAYER

### Alberta 1999-00

O'Chiese First Nation - Joint venture to expand into oil & gas .....	\$150,000
Kee Tas Kee Now Tribal Council - Joint venture to provide logging services to pulp mills .....	\$150,000
Bigstone Cree Nation - Joint venture to expand logging operation .....	\$200,000
Little Red River First Nation - Exp Forest management operations .....	\$100,000
Sub-total .....	\$600,000

### Alberta 1998-99

Alexander First Nation - Forest services/ Forest products manufacturing ..	\$150,000
Long Lake First Nation - Forest Products manufacturing .....	\$150,000
Driftpile First Nation - Emergency firefighters .....	\$100,000
Chipewyan First Nation - Janvier water/ vacuum servicing oil/gas cos. ....	\$100,000
Sub-total .....	\$500,000

### Sask 1999-00

File Hills Qu'appelle T C - Mnfr of chainlink fence for companies in oil & gas industry .....	\$50,000
File Hills Qu'Appelle T. C. - Plough & place phone cable & natural gas pipelines .....	\$35,960
Prince Albert Tribal Council - Expand fish packing plant to licensed processing .....	\$18,118
File Hills Qu'Appelle T. C. - Establish an orchard farm .....	\$50,000
Agency Chiefs Tribal Council - Upgrade to a new and larger wheel log loader ..	\$50,000
Battlefords Tribal Council - Forest road building contractor .....	\$30,920
Sub-total .....	\$234,998

### Sask 1998-99

Meadow Lake Tribal Council - Log harvesting operation .....	\$50,000
Prince Albert Grand Council - Forestry scarification operation .....	\$50,000
Meadow Lake Tribal Council - Log hauling service .....	\$17,700
Meadow Lake Tribal Council - Large portable sawmill operation .....	\$54,350
Agency Chiefs Tribal Council - Logging services (cutting, limbing skid & haul) .....	34,100
Sub-total .....	\$206,150

### Manitoba 1999-00

Pine Creek First Nation - Establish a bison ranch .....	\$250,000
Southeast Resource Dev. Council - Purchase O/S and improve-ments .....	\$250,000

Ebb & Flow Elk First Nation - Establish Ebb & Flow elk ranch .....	\$250,000
Sub-total .....	\$750,000

### Manitoba 1998-99

Berens River First-Nation - tourism/ motel .....	\$75,000
Sagkeeng First Nation - trucking ....	\$50,000
Assembly of Manitoba Chiefs - elk & bison .....	\$100,000
Bloodvein First Nation - Lodge/ Outfitter .....	\$103,000
Brokenhead First Nation - Agriculture/ Hay operation .....	\$150,000
God's Lake Narrows First Nation - Motel .....	\$200,000
York Factory First Nation - Lodge/ Tourism .....	\$95,000
Sub-total .....	\$773,000

### Ontario 1999-00

Eagle Lake First Nation - Establish a wood transportation business .....	\$25,000
Ginnoogaming First Nation - Forestry operations .....	\$14,000
Chippewas of Nawash First Nation - Expansion of business to include fish processing .....	\$35,000
Pic River Development Corp - Fire fighting contract .....	\$24,000
Matawa TC Fire Fighting - Fire fighting contract .....	\$25,112
Michipicoten First Nation - Dore Falls Corporation establishment .....	\$245,000
Wabigoon Lake First Nation - Construction of a tree nursery .....	\$290,250
Naicatchewan Dev. Corp. - Road construction project .....	\$95,000
Sub-total .....	\$753,362

### Ontario 1998-99

Rainy River First Nation - Commercially produce lake sturgeon finger-lings .....	\$86,000
Naicatchewan First Nation - Forestry operation .....	\$155,000
Michipicoten First Nation - Lumber Company - Purchase .....	\$178,500
Mamaweswen-North Shore Tribal Council - Timber harvesting company .....	\$150,000
Mamaweswen-North Shore Tribal Council - Timber harvesting company additional .....	\$50,000
Kingfisher Lake First Nation - Investment in Winter Roads - business .....	\$76,274
Bearskin Lake First Nation - Construction of a tourist lodge on Makoop Lake .....	\$100,000
Sub-total .....	\$795,774

### Quebec 1999-00

Conseil des Atikamekw de Manawan Acquisition d'equipement forestiere .....	\$20,000
Conseil de la nation Huronne - Dev. Secteur sylvicole .....	\$90,000
Conseil de la nation Huronne - Dev. multi-ressources .....	\$60,000
Natashquan - Projet scierie .....	\$50,000
Sub-total .....	\$220,000

### Quebec 1998-99

Obedijwan - Demarrage d'Entreprise forestiere Achats d'equipements .....	\$40,000
Kitcisakik - Projet d'eclaircie precommerciale .....	\$5,000
Long Point - Realisation of a business plan forestry Acquisition of a hydraulic wood splitter .....	\$14,525
Huronne Wendat - Mise sur pied du secteur multi-ressources de la communaute de Wendake .....	\$80,000
Huronne Wendat - Developpement du secteur sylvicole de la communaute de Wendake .....	\$120,000
Abitibiwinini - Vision Boreale enr. - demarrage d'entreprise forestiere ....	4,100
Long Point - Feasability study - implementation of an ecological system .....	\$40,000
Mingan - Preparation d'un plan quinquennal .....	\$10,000
Huronne Wendat - Tourilli - amelioration des equipements et sites - touris-tiques .....	\$37,500
Sub-total .....	\$351,125

### Atlantic Canada 1999-00

Eskasoni First Nation - Fisheries expansion .....	\$110,000
Membertour First Nation - Fisheries expansion .....	\$82,000
Burnt Church - Purchase of porter for wood operation .....	\$34,000
Eskasoni First Nation - Purchase of skidder for wood operation .....	\$27,200
Abeqweit First Nation - Fisheries expansion .....	\$62,757
Labrador Inuit Development Corp - Purchase hydraulic combo drill & diamond saw .....	\$93,851
Sub-total .....	\$409,808

### Atlantic Canada 1998-99

Labrador Inuit Association (LIA) - Diversified ocean fishing .....	\$75,000
Labrador Inuit Association (LIA) - Diversified ocean fishing .....	\$75,000
Sub-total .....	\$150,000

# Nominations

## Now being Accepted

### The Teddies Award

### Tax Fighter of the Year Award

The Teddies are awarded annually to a public office holder, civil servant, or department, that most exemplifies government waste, overspending and over-taxation.

The award is handed out in three categories: Federal, Provincial and Lifetime Achievement. Last year's winners were Human Resources and Development Canada, the B.C. Government for its fast ferry debacle and Sheila Copps.

We invite all CTF supporters to submit nominations in any category along with supporting evidence. The nomination should be postmarked no later than March 15, 2001.

### The Teddies Nominations Committee

105-438 Victoria Ave East  
Regina, Sask S4N 0N7  
Fax: 306-352-7203  
E-mail: [tlanigan@sk.sympatico.ca](mailto:tlanigan@sk.sympatico.ca)

This award is given annually to an individual who has demonstrated outstanding leadership and commitment to the cause of taxpayer emancipation.

We invite all CTF supporters to submit a nomination along with a brief statement why your nominee qualifies for this prestigious award. Your nominations should be postmarked no later than March 15, 2001.

This will be the fifth time this award has been given. Last year's recipient was Premier Mike Harris of Ontario for implementing taxpayers protection legislation.

### Tax Fighter of the Year Award Nominations Committee

105-438 Victoria Ave East  
Regina, Sask S4N 0N7  
Fax: 306-352-7203  
E-mail: [tlanigan@sk.sympatico.ca](mailto:tlanigan@sk.sympatico.ca)